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# Commonwealth of Massachusetts Department of Public Welfare

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# ANNUAL REPORT

## Fiscal 1976

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**The Honorable Michael S. Dukakis, Governor of Massachusetts**  
**Alexander E. Sharp, II, Commissioner, Department of Public Welfare**



Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC WELFARE

1976 ANNUAL REPORT

\* \* \*

Alexander E. Sharp, II

Commissioner

\* \* \*

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# TABLE OF CONTENTS

CHAPTER		PAGE
I	DEPARTMENT STRUCTURE.....	1
	I. Overview.....	1
	II. State Takeover.....	1
	III. Central Office.....	1
	IV. Local Office Consolidations.....	2
	V. Separation.....	3
	VI. The Community Service Area: (Social Services).....	3
	VII. The Welfare Service Office: (Assistance Payments).....	4
II	OFFICE OF FINANCE.....	6
	I. Overview.....	6
	II. Operations Unit.....	6
	III. Budget Unit.....	7
	IV. The Office of Federal Revenue.....	7
	V. Business Agent's Office.....	8
III	OFFICE OF ASSISTANCE PAYMENTS.....	9
	I. Overview.....	9
	II. Major Provisions of the new regulations governing AFDC "Special Needs" Programs.....	9
	III. Consolidated Grants System Implemented in AFDC Program.....	10
	IV. General Relief (GR) Cuts.....	10
	V. Unemployed Fathers Obtain Right to Choose Between Unemployment and AFDC.....	11
	VI. Computer File Matching.....	11
	VII. The Food Stamp Program.....	12
IV	OFFICE OF SOCIAL SERVICES.....	15
	I. Overview.....	15
	II. Placement Services.....	16
	III. Adoption.....	16
	IV. Group Care.....	17
	V. Foster Care.....	18
	VI. Homemaker and Chore Services.....	19
	VII. Day Care.....	19
	VIII. Direct Services.....	20
	IX. Clinical Services.....	20
	X. Purchase of Service Unit.....	21
	XI. Support Services.....	22
	XII. Title XX Planning Unit.....	23
V	OFFICE OF MEDICAL ASSISTANCE.....	25
	I. Overview.....	25
	II. Alternative Care.....	26
	III. Pharmacy and Durable Goods.....	27
	IV. Ambulatory Care.....	29
	V. Long-Term Care.....	35
	VI. Long Term Care Program.....	35
	VII. State Medical Review Team (SMRT).....	36
	VIII. Hospital Program.....	36
	IX. Provider Review Units.....	37
	X. Cost-Effectiveness under Medicaid Federal Grant...	38



# TABLE OF CONTENTS (continued)

CHAPTER		PAGE
VI	OFFICE OF RESEARCH AND PLANNING.....	39
	I. Overview.....	39
	II. Major Projects Completed in Fiscal '76.....	39
	III. Projects Started in Fiscal '76 and Completed in Early Fiscal '77.....	42
	IV. Projects Begun in Fiscal '76 which are Ongoing or Completed in FY'77.....	44
	V. Looking Toward Fiscal '77.....	45
VII	OFFICE OF ADMINISTRATION.....	48
	I. Overview.....	48
	II. Labor Relations.....	48
	III. Personnel.....	49
	IV. Policies and Procedures.....	51
	V. Child Support Enforcement.....	51
VIII	OFFICE OF MANAGEMENT SERVICES.....	53
	I. Overview.....	53
	II. Systems Development and Maintenance.....	53
	III. Major Systems and Related Projects.....	54
	IV. Support Systems and Projects.....	57
IX	GOALS AND OBJECTIVES.....	59

## CHAPTER ONE

### DEPARTMENT STRUCTURE

#### I. OVERVIEW

The Department of Public Welfare has undergone numerous administrative changes since the state officially assumed the responsibility for a centralized welfare system in 1968. During the eight years since that time, a constant revision has taken place as at all levels of the Department to insure better service delivery and more efficient management of the departmental functions. The structure has been the subject of intensive review in the past two years and in FY'76 several major structural changes were made to take effect in FY'77.

The table of organization at the end of this chapter illustrates the new structure for the Department in FY'77 which resulted from this examination of the Department. The following material analyzes the evolution of the Department and its functions.

#### II. STATE TAKEOVER

The Commonwealth of Massachusetts officially assumed administrative and financial responsibility for a centralized state welfare system on July 1, 1968, with the enactment of Chapter 658 of the Acts of 1967. Prior to state takeover the Department of Public Welfare had consisted of a Central Office and seven districts, which provided supervision for 273 semi-autonomous Boards of Public Welfare administered by individual cities and towns.

The new state-administered structure was three-tiered, consisting of a Central Office, Regional Offices and local Welfare Service Offices (WSOs).

#### III. CENTRAL OFFICE

The Central Office became and has continued to be responsible for the planning, development and implementation of Department programs and policy.

The following changes in the Department's organizational structure have been undertaken:

- (1) The Office of the Regional Coordinator is retitled the Office of Field Operations. The Regional Coordinator will carry the working title of Associate Commissioner for Field Operations.
- (2) The Associate Commissioner for Field Operations, the Assistant Commissioner for Assistance Payments, and the Assistant Commissioner for Social Services will

report to a common office, that of the Deputy Commissioner, which has primary responsibility for integrating the functions of policy development and implementation. As stated above, this will better define accountability for Department performance at the central office level and remove much of the confusion which has existed over communication between central office and the field.

- (3) The regional offices will remain in their present locations and the concept of common heads at the regional and local office level will be retained. The Regional Administrators will carry the working title of Regional Managers to stress their responsibility for monitoring, supervising, and managing the local offices within their regions.
- (4) The staff of the Office of Field Operations will be increased to meet that Office's responsibilities for management of field operations, clearance of instructions prior to issuance to the field, and participation in program and policy development at central office. An explicit organizational chart will be developed for the Office of Field Operations. The purpose of this expansion is to insure that policy and systems development and implementation reflect the needs and concerns of the field. This has not been possible under the previous organizational structure and staffing pattern of the Regional Coordinator's Office.
- (5) The Regional Offices will be reorganized along functional lines to reflect their responsibility for managing local offices.
- (6) All Welfare Service Offices within each Community Service Area will report to the Community Service Area Office.

#### IV. LOCAL OFFICE CONSOLIDATIONS

After state takeover, the regional offices, which were established to oversee and respond to the needs of the WSOs, were charged with the task of identifying which would be consolidated to meet the following objectives:

- increased performance accountability;
- uniform application of DPW programs and objectives;
- increased capacity to respond quickly to the needs of the welfare population;
- increased administrative efficiency with regard to both personnel and space.



## Analysis:

This analysis resulted in the closing and consolidation of 153 local offices. Due to the perceived costs of moving from publicly owned office space (e.g, city and town halls) to privately owned office space, and to concern that welfare recipients have services available in close proximity to their homes, the Legislature enacted Chapter 514 of the Acts of 1972. This prohibited the closing of additional local offices except in cases where the WSOs were requested to vacate public buildings by mayors or selectmen.

Chapter 431 of the Appropriation Act of 1973 made further consolidations of WSOs subject to approval of House and Senate Committees on Ways and Means. Very few consolidations have taken place since 1972. However, the Department is now proposing to close an additional 30 of its Welfare Service Offices and to merge their functions with the local welfare offices which will remain.

## V. Separation:

Until September 5, 1974 all local welfare offices provided cash assistance, social services and medical assistance to clients, and an individual social worker was responsible for meeting both the financial assistance and social service needs of her/his clients.

On September 5, 1974, the functions of providing social services and financial assistance were administratively separated and social workers became responsible for providing either services or financial assistance and medical assistance. Approximately 65% of the social worker staff were assigned to Assistance Payments, while 35% were made responsible for the provision of social services to welfare clients. Federal regulations limit the number of supervisors which can supervise both AP and Social Services personnel. If service workers had been assigned pro-rata among the 106 local WSOs the result would have been under-utilization of supervisory staff.

These considerations evolved into a plan for delivering services on an area basis - smaller than the regions but encompassing several WSOs. At present there are 38 Community Service Areas (CSAs) in Massachusetts.

## VI. THE COMMUNITY SERVICE AREA: (SOCIAL SERVICES)

As mentioned above, the Community Service Area (CSA) concept was instituted with Separation to assure more efficient delivery of Social Services. Under the current structure, there are 38 CSAs, each of which has at least one office (CSAO) which provides Social Services as well as Assistance Payments.

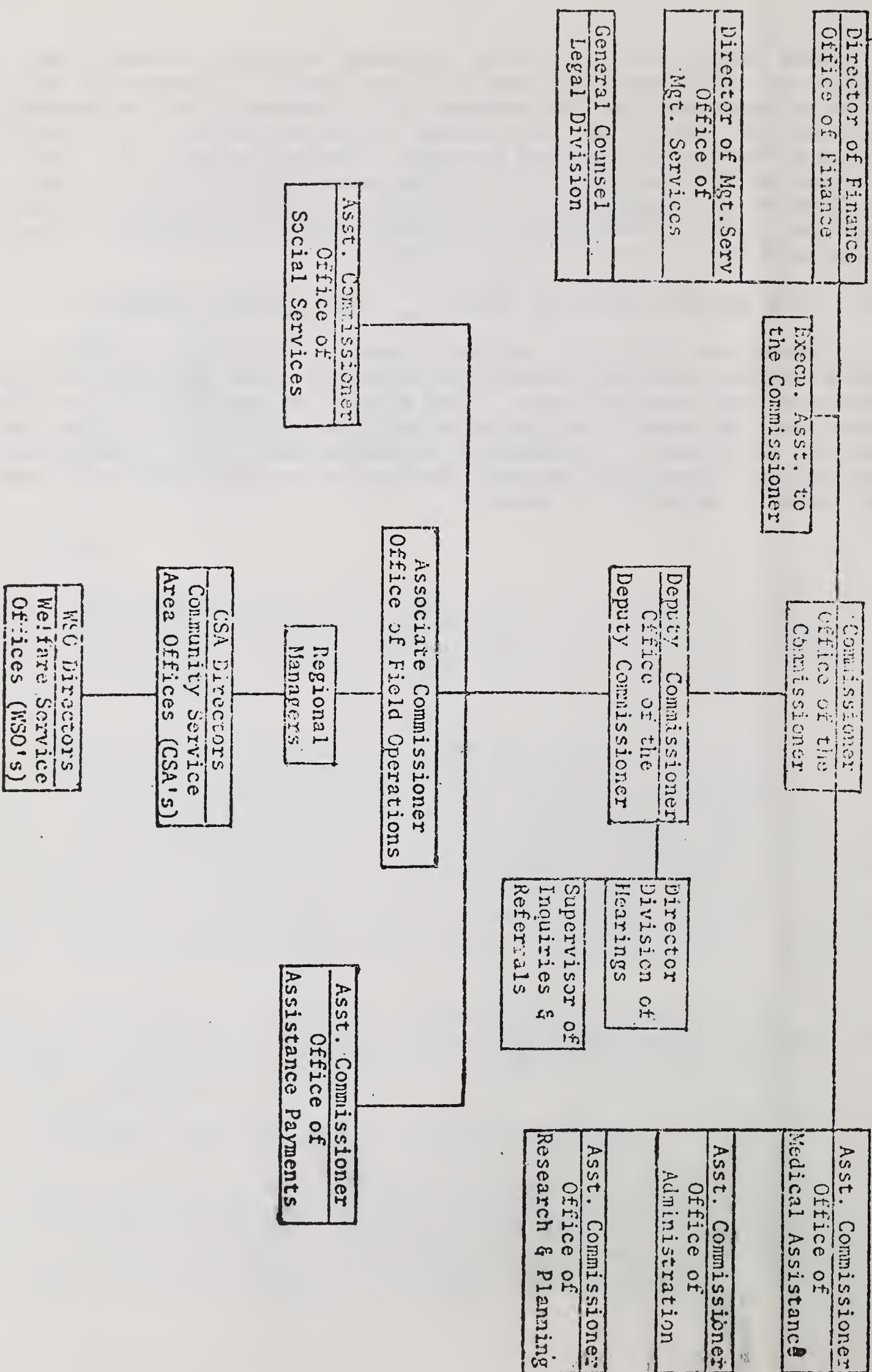
The Social Service staff includes Information-Referral-Follow-up (IRF) workers, who provide general information and referral services to the community and respond to the requests of eligible people for Department services; Generalist Social Workers, Specialist Social Workers (including WIN, MCR, Inflicted Injury, Adoption), and Resource Mobilization Workers who develop new resources and mobilize existing community resources. CSA Office staff includes clerical personnel, case-aides and Social Service Technicians.

VII. THE WELFARE SERVICE OFFICE: (ASSISTANCE PAYMENTS)

There are 110 local Welfare Service Offices in Massachusetts, which provide Assistance Payments, Food Stamps, and Medical Assistance to clients. The WSO is administered by a Director and, depending on the size of the office, one or two Assistant Directors. Assistance Payments staff are divided into two types. Intake AP workers determine eligibility, and Ongoing workers maintain AP cases.

## COMMONWEALTH OF MASSACHUSETTS

## Department of Public Welfare





## CHAPTER TWO

### OFFICE OF FINANCE

#### I. OVERVIEW

The Office of Finance consists of four major units. The Financial Operations Unit is responsible for controlling issuance of and accounting for the department's payments, totaling nearly \$1.3 billion annually to recipients and providers of welfare services. The budget unit is responsible for preparing the department's budget, monitoring expenditures, forecasting spending patterns and analyzing the cost implications of proposed policy changes. The office of federal revenue is responsible for reporting expenditures to the federal government and insuring that proper federal reimbursement is obtained. The eight business agents are responsible for the purchasing of equipment and supplies and providing office space and services for the entire department. The heads of these units are respectively the Assistant Director of Finance for Fiscal Affairs, the Assistant Director of Finance for Budgeting, the Director of Federal Revenue and the Business Agent.

#### II. OPERATIONS UNIT

The functions of the operations unit include the following:

1. Processing of payments for recipients, welfare vendors and welfare administration.
  - Requests funds and reporting expenditures from the state comptroller.
  - Monitoring payments from receipt of invoices to mailing of checks, determining availability of funds and validity of payments.
  - Adjusting payments, making occasional manual payments and correcting computer payments.
2. General Accounting
  - Bookkeeping for advances, payments, returns, banks, collections, etc.
  - Reconciling bank accounts
  - Reconciling reports from computer center, manual records, comptrollers office, and treasurer's office
  - Reserving funds
  - Allocating costs to appropriate accounts
3. Collecting monies owed to the Department from:

- The Federal Government for payments to GR recipients transferred to SSI.
- Nursing homes for downward retroactive rate adjustments.
- Medical providers for their mistaken overbillings.
- All vendors for mistaken overpayments by the Department.
- Parents of children in the care of the Department for child support.
- The Federal Government for care of foster children.
- Insurance companies for their obligation to pay medical expenses of certain recipients.
- Rest homes for overpayment due to SSI payments.
- Estates of deceased recipients.
- Fraud recoveries.
- recipient overpayments.

#### 4. Responding to vendor inquiries

### III. BUDGET UNIT

The budget unit consists of eight staff members assigned to monitor and analyze the expenditures of each of the major program offices: medical assistance, assistance payments and social services. In addition to preparing the budget, the staff prepares monthly expenditure reports summarizing expenditures and forecasting trends. The staff also analyzes proposed policy changes in program eligibility, provider rates, grant amounts, levels of service, etc. to determine cost implications.

Major projects include:

- Analysis of the DPW's budget request to the legislature.
- Development of computerized econometric models to predict caseload changes as a function of various policy perimeters.
- Projection expenses in all Departmental accounts.
- Analysis of potential cost savings measures for the medicaid, assistance payments and social services programs.

### IV. THE OFFICE OF FEDERAL REVENUE

The Office of Federal Revenue is responsible broadly for all financial dealings with the Federal Government, including: reporting Department expenditures eligible for federal reimbursement; projecting future spending and securing advances of federal funds; determining the amounts to be transferred to the Commonwealth treasury each week from the Federal Reserve Bank; serving as liaison with federal auditors; and attempting generally to maximize revenues and minimize audit ex-



ceptions.

In addition to the ongoing activities cited above, the Office of Federal Revenue undertook the following special projects in FY '76:

- Introduction of more accurate tracking of earned and anticipated federal reimbursements;
- Complete revision of the personnel coding system upon which is based the Department's methodology for allocating all costs to appropriate program areas;
- Establishment of an accounting system for securing reimbursement for Probate and district court expenditures related to the Child Support Enforcement Program;
- Resolution of outstanding audit exceptions and other reimbursement issues regarding Department social services and medical assistance programs;
- Upgrading and standardization of the process through which necessary federal approvals of the Department contracts with outside vendors are secured; and
- Developing of capability to comply with new federal reporting requirements in the areas of Medical Assistance, Assistance Payments, and Child Support.

#### V. BUSINESS AGENT'S OFFICE

Located within the Office of Finance, the Business Agent's Office is that central unit responsible for a number of day to day administrative tasks necessary for the continued operation of the department. The major areas of activity include the negotiation and finalization of all space rental agreements; the purchase, distribution, and inventory of all equipment and administrative supplies; all internal printing operations; administrative expenditure record keeping; and the provision of security for both central and field offices.



### CHAPTER THREE

#### OFFICE OF ASSISTANCE PAYMENTS

##### I. OVERVIEW

The Office of Assistance Payments consists of six units: Aid to Families with Dependent Children, General Relief, Supplemental Security Income, Food Stamps, Quality Control, and Corrective Action.

New regulations governing "Special Needs" programs for families eligible for AFDC (and GR) went into effect July 15. The first major cost savings effected by the Department was that they reduced potential FY'76 expenditures for these programs from \$40 million to \$17 million, with a net savings to the Commonwealth of \$18.5 million. The regulations also represent a serious attempt to balance budget constraints with the Department's commitment to respond to emergency needs.

The Department has also replaced the complex AFDC family budget formula with a simplified formula called the Consolidated Grant System, based solely on family size and income.

General Relief Assistance to employable people was eliminated, and numerous changes were made in provisions of medical care.

The Department began computer file matching for recipients in all categories of assistance, and in response to a court order, more than doubled the number of Social Service Technicians on staff.

##### II. MAJOR PROVISIONS OF THE NEW REGULATIONS GOVERNING AFDC "SPECIAL NEEDS" PROGRAMS ARE:

1. The Initial Needs Program, which provided basic household equipment and supplies to needy families during the first thirty days of their eligibility for cash assistance, has been eliminated.
2. The elimination of the Hardship Program, which provided for payment of fuel, utility and shelter arrearages; moving and storage expenses; appliance purchase and repair, emergency home repairs, and the purchase of furniture for additional children. However, since the Hardship Program duplicated benefits available under the Emergency Assistance Program, these items will continue to be available as emergency assistance.
3. The Emergency Assistance Program has been revised to

eliminate certain items of furniture which are not required on an emergency basis. Price standards for the remaining items of furniture, as well as for clothing items have been updated. Restrictions have been placed on the scope of authorization for shelter and utility arrearages, (which will not be payable only for a four month period). Moving expenses can be paid only up to \$100 maximum. Repair or replacement of washing machines will only be allowed to families of four or more persons.

Claims under the Emergency Assistance Program can be made only during one thirty day period per year, except in the case of disaster.

### III. CONSOLIDATED GRANT SYSTEM IMPLEMENTED IN AFDC PROGRAM

On November 1, 1975, the Department replaced the complex AFDC family budget formula with a simplified formula called the Consolidated Grant System, based solely on family size and income.

The AFDC family budget process calculated appropriate payments for one of five possible living arrangements, and for a range of "special allowances". These included rental exceptions, special diets, childrens' age differentials, excess fuel and utility costs, life and health insurance premiums, etc. The complexity of this process presented a major management program for the Department as caseloads increased. It contributed significantly to the Department's error rates in overpayments and underpayments. Also, marked benefits existed in the provision of special allowances. According to one Department survey 71% of cases in the Springfield Region were receiving special allowances as compared to 85% of cases in the Greater Boston Region.

Reducing Quality Control error rates and potential federal fiscal sanctions, was a primary goal of consolidation. Simplification of budgetary procedures almost quarters the time required to process applications, freeing social workers for intensified verification and redetermination activities. Thirty-five states have adopted some form of consolidation as a means of reducing errors and achieving better management.

### IV. GENERAL RELIEF (GR) CUTS

On October 2, 1975, the Department eliminated General Relief assistance to employable persons. New applicants who do not have dependent children and those who are deemed employable under new guidelines promulgated by the Department are ineligible. Approximately 15,000 employable recipients were notified by mail on October 6, 1975, that their eligibility for financial and medical assistance would cease on November 1, 1975. Clients were advised of the right to appeal their termination.



Chapter 618 eliminated medical care under General Relief except for acute care, and denied eligibility for those receiving Unemployment Compensation and Veteran's Benefits. It also denied eligibility to those waiting for benefits under Aid to Families with Dependent Children - Unemployed Fathers program.

General Relief recipients whose aid was terminated or applications denied were referred to the Division of Employment Security for assistance in locating employment.

Some basic medical services were restored to General Relief recipients on July 1, 1976. Physician services in the doctor's office, patient's home or nursing home began again. They will be paid for by the Department, as will life sustaining drugs, home health services, vision care, laboratory services and durable goods. Services provided by a hospital were not restored. These include services in out-patient, emergency room and clinics; services by psychologists and podiatrists; family planning services and transportation services. The restoration represents an annual cost to the state of approximately \$5 million.

#### V. UNEMPLOYED FATHERS OBTAIN RIGHT TO CHOOSE BETWEEN UNEMPLOYMENT COMPENSATION AND AFDC

On June 9, 1975, the U.S. Supreme Court ruled unanimously that an unemployed father who is eligible for both Unemployment Compensation (U.C.) and AFDC-UF may receive one or the other. Previously, they were restricted to Unemployment Compensation. The disqualifying factor for AFDC-UF is the payment of U.C. to the father for any week, not his eligibility for U.C.. The unemployed father must wait 30 days from date of unemployment before becoming eligible for AFDC-UF and must not have refused a bona fide job offer during this waiting period. He must register with the Division of Employment Security and the Work Incentive Program (WIN).

#### VI. COMPUTER FILE MATCHING

The Department began computer file matching on a trial basis beginning in April, 1976, for recipients in all categories of assistance. This matching of computer data is based upon a set of computer programs. This will allow the Department to compare names, addresses and other pertinent information with similar information contained in the files of other state agencies and other states.

Those cases where a match occurs will require follow-up to determine if eligibility and grant amounts are correct. Data Informational Specialists (DIS) Reviewers will be responsible for follow-up.



It is hoped that through this expanded computer file matching system, there will be substantial savings for the Department. In order to assure that rights of privacy are protected, the Department will inform recipients at least twice a year, of the computer file matching through a general mailing.

## VII. THE FOOD STAMP PROGRAM

The Food Stamp Program is the single largest program within the Office of Assistance Payments, and its rate of growth continues to exceed that of all other Department programs. It's caseload of 200,000 households representing 700,000 persons exceeds the individual caseloads of AFDC, GR, or SSI.

Participation in the Food Stamp Program is voluntary, and more than nine out of ten households receiving public assistance are participating. The program is designed to provide maximum benefits for the lowest income families including non-public assistance households which constitute 45% of the caseload.

The average monthly coupon bonus value per household in Massachusetts is sixty-six dollars (\$66) or \$792 annually. For the unemployed, low-income, elderly and many others hit by inflation, food stamp bonus coupons mean the difference between a poor diet and a nutritionally adequate one. But not only does it increase the food purchasing power of low income households, it is likely that because food stamp users are able to spend less of their monthly income on food, they may be able to spend more on better housing, clothing, health care and other necessities. The Food Stamp Program, originally intended to be a supplementary food assistance program similar to its predecessor, the Surplus Food Program, has become a form of income maintenance.

The Food Stamp Program is a stimulus to the Massachusetts economy. Each month, more than \$13,000,000 in bonus value is authorized. On an annual basis, they amount to \$156,000,000 additional federal monies coming into the state. The Federal Government redeems food coupons at face value. And as the caseload increases, financial benefits to the economy increase.

The Federal Government reimburses the Commonwealth 50% of all administrative costs to operate the program. The state's share for Fiscal Year 1976 was less than three and a half million dollars. The Food Stamp Program is proving a good investment for the Commonwealth in its multi-role capacity.

The Surplus Food Program operated more or less semi-autonomously within the Department because of shared responsibilities with another state agency (Department of Education), but the Food Stamp Program is administered solely by the Department of

Public Welfare under the Office of Assistance Payments. Its fiscal and administrative functions, including technical support, have been placed with units having Department responsibilities similar to other programs.

Many operational changes have occurred in the program from the prior fiscal year:

1. Efficiency and Effectiveness (E&E)

In order to receive matching funds under U.S. Public Law 93-347, each state must report to the Secretary of Agriculture the efficiency and effectiveness of its program administration. This includes a review program operations and corrective action taken to alleviate reported deficiencies. In reviewing its food stamp operations, a state must at all times assess its program in light of the underlying goal to affect a system that is efficient and effective in all levels of program operations. States will be measured against their compliance with the Food Stamp Act, Regulations, Food and Nutrition Instructions and guidelines, each State Plan of Operation, and their efforts to reduce Program deficiencies through corrective action.

The present quality control system will operate with the E&E Monitoring System. The results of Quality Control Reviews will be used with the Department's Central Office and regional level reviews, to develop complete analysis of the Food Stamp operation as conducted in the Commonwealth.

2. Issuing Agency Accountability

Massachusetts along with the Federal Reserve Bank was possibly the first state to arrange a print-out comparing the transmittal dates of cancelled batches of Authorizations to Purchase (ATP) and deposit dates of funds corresponding to each batch. In turn, the accuracy of deposits, ATP transactions and value of bonus amounts has greatly increased.

3. Court Suit Mandating Adequate Staff

February 11, 1976, the Massachusetts Supreme Judicial Court ordered the Department not to have less than 200 eligibility workers by March 3, 1976. This number was more than double the original appropriation of 94 Social Service Technicians as initially met by a new CETA allocation. Previously, caseloads ranged from 600 to 1,000 (compared to 180 in AFDC) and the reported ineligibility rate was 28%. At the time of court action,



the Department had approximately 30,000 cases of overdue recertifications of continuing eligibility to participate in the food stamp program. The high ineligibility and error rate was attributed to inadequate staffing. Current caseload per worker is around 400, but the court estimated the ordered staffing level of 200 will be only minimally adequate. CETA personnel are employed until at least June, 1977.



## CHAPTER FOUR

### OFFICE OF SOCIAL SERVICES

#### I. OVERVIEW

The Office of Social Services includes ten units: Placement Services, Group Care, Foster Care, Homemaker and Chore Services, Day Care, Direct Services, Clinical Services, Purchase of Service Unit, Support Services, and Title XX Planning Unit.

Over the past year, the Office of Social Services has focussed its efforts on reappraising and reorganizing the social services delivery system and the administrative structure which supports it. Our goal was to design a system that would provide for a comprehensive network of quality social services and respond to and support the families and individuals it serves.

In order to link programs so they would support an intelligent and selective application of service resources at the service delivery level, three major program units were created at Central Office level: the Direct Services Unit, the Placement Service Unit and the Support Services Unit. This structure reflects a movement away from delivering a particular, tangible service to a client as a goal in itself. Instead, it supports the application of related and reinforcing service resources in the context of an identified treatment goal. In particular the identification of day care and homemaker services as important placement resources and the increased importance given direct services indicate a renewed commitment to preventive services directed at maintaining the intact family unit.

In order to ensure that these revised program goals have some impact on local office operations, the OSS re-examined and refined the local service delivery model. Visits were made to field offices to improve communication between the field and central office program units, and provide field input regarding current and recommended service delivery practices.

The OSS is a leader in Child Welfare Service Delivery System Project funded by HEW. Its reorganized structure has been cited as a positive aspect of its service program. A study of local office operations will help the OSS to further identify its strengths and weaknesses. Any further refinements made in the system will be in response to the practical knowledge of service professionals working within the system and recommendations made as resulting from the Child Welfare Project.

## II. PLACEMENT SERVICES

During the past year, changes were made in the structure and functions of placement services. The Placement Services Unit tried to establish a comprehensive and coordinated placement program. It focussed on developing adequate and varied placement resources and establishing stronger supportive services for such resources. There was room for new programs such as the Adoption Project for Children with Special Needs, but there were frustrations in the area of maintenance and support of ongoing programs, due to staffing limitations. Priorities have had to be established but vital services to families and children have not always been delivered. The Unit, therefore, has tried to identify the gaps in staffing and eliminate them.

## III. ADOPTION

The Adoption Placement Unit has increased efforts to move children "stuck" in the system into permanent homes, upgrade the quality of services to children and adoptive parents across the state, and improve communication inside and outside the Department regarding adoption services.

The Unit coordinated a recruitment program with the Massachusetts Adoption Research Exchange, to maximize Departmental efforts to place without delay, all children legally free for adoption. Concentrated efforts have been made to facilitate adoption finalization. The filling of several clerical vacancies resulted in 140 adoptions being processed and forwarded to the Department's Legal Division for scheduling of a court hearing for finalization of the adoption process. In addition, a special project--the Foster Home Adoption Blitz--was established, to respond to foster home adoption requests and process such cases more quickly and efficiently. An identification of over 200 cases was made initially. Fifty of these cases have been processed and 80% of these will lead to an adoption plan. This project has facilitated adoptions and raised significant issues regarding adoption subsidy and the placement of older children in adoptive homes which have had the contact and involvement of the child's biological parents.

The Adoption Unit also developed a proposal and consequently obtained a grant from the Edna McConnell Clark Foundation for an adoption project focussed on the placement of 125 children with special needs. A project director and staff hired within the Department, and private agencies under contract with the Department will coordinate their efforts to develop a comprehensive adoption project geared to permanent placement for each child. The project is the first of its kind nationally and its success might redirect the focus of adoption programs throughout the country.



Attention has also been directed at a general upgrading of the quality of the adoption program. The homefinding process was altered to provide a more realistic assessment of prospective adoptive parents, and planning for the development of a Family Resource Program is in process. It will involve a generic approach to homefinding for foster care and adoption. The Unit initiated the group process in working with children and developed an inter-agency home study system with certain private agencies. Staff attended institutes focussing on techniques needed in placing older and special needs children. A state-wide Adoption Committee was established to review adoption services, make recommendations, and advocate an upgrading of the adoption program. Finally, the Unit designed a computerized tracking system that will enable it to easily retrieve detailed data on each child within the Unit.

The Adoption Unit is strengthening its link with each Department regional office to improve communication and facilitate referrals. Improved communication enables the Unit to be more responsive to particular regional needs. The OSS completed draft regulations and procedures for the adoption program. This will provide staff necessary support and direction. To improve public understanding of the adoption program, pamphlets were developed and Unit staff worked with the School of Communication at a local university to produce an informational program to aid recruitment efforts.

#### IV. GROUP CARE

The Group Care Unit has tried to ensure that its resources are only used when a child's remaining at home or in foster care are not viable options, and are used then only as part of a specific, goal-directed treatment plan. The Unit has refined its intake process to screen referrals so initial placements are more appropriate. Coordination with other agencies and regional and local offices has enabled the Unit to arrange alternative placements when indicated. Emphasis has been on determining the most appropriate placement for a child and identifying the agency with primary responsibility for such placement.

Staff were added to the intake unit to more quickly respond to referrals for group care services, and to screen such referrals to determine if the service recommended is consistent with the child's needs and with service opportunities available from the Unit. Leadership on 766 committees and task forces enabled the Unit to screen those referrals which are the responsibility of other agencies. The Group Care Unit and the Department of Education staff developed a cost-sharing formula enabling each Department to pay for certain components of a child's service plan.



A Departmental specialized foster care program was developed as an alternative to group placement. Unit staff are reviewing all specialized foster care contracts in conjunction with other Departmental units. A review of existing group facilities and an analysis of placement needs resulted in the development of certain semi-independent living situations for adolescents. Out-reach to the New England Child Care Association and certain group care facilities increased the range of services available to children for whom inadequate resources have been a problem--especially the acting-out adolescent and disturbed retarded youth. An evaluation outline was developed permitting a comprehensive assessment of group placements under the Unit's auspices.

Short and long-term service planning enables the Unit to identify children stuck in the system and facilitates their movement to more appropriate placements. Communication with group care facilities enables the Unit to develop needed resources and upgrade the quality of service. Efforts have been made to establish time limits with each program to prevent children from remaining in group care facilities too long or inappropriately. Discharge plans are now requested from group care facilities at the time of referral. A total case review of children within the Unit was completed so planning for such children can occur more readily. Initiative has been taken to identify children in group care ready for foster family care or return to their parents, and to notify appropriate Departmental personnel that such children need a more appropriate placement. Earlier this year, over 100 children were identified as ready for such a change and approximately two-thirds of these children have been placed in foster family care.

#### V. FOSTER CARE

The Foster Care Unit has focussed on developing plans to upgrade the existing program, to provide additional support to Department foster parents, and the drafting of policies and procedures for the foster care system.

An Administrative Case Review of all foster care cases has been completed. Staff were assigned to follow-up on this review so gaps in the foster care system can be remedied through policy/procedures development or administrative direction and support.

Some needed policy and procedural guidelines have been completed or are approaching completion: a re-evaluation form, a Foster Care Review System enabling foster parents to appeal certain Department decisions, updated job description for homefinding staff; regulations regarding the evaluation and use of foster homes.

Efforts were made to increase support to Department Foster parents. Coordination with Title XX Planning staff resulted in exploration of funding for specialized foster care and foster parent training. A curriculum for foster parent training was developed with the help of the Foster Care Unit. Ongoing liaison activity with the Foster Parent Association has enabled foster parent input to affect changes in the program. A Handbook for Foster Parents is being developed to provide foster parents with information regarding their respective roles and responsibilities. Finally, liability insurance for foster parents was renewed and information regarding the coverage was sent to foster parents.

#### VI. HOMEMAKER AND CHORE SERVICES

Homemaker and chore services clarified its program standards and developed improved mechanisms to ensure administrative accountability and control.

Homemaker and chore service policies were revised to establish categories of service need and limits to the amount of service which can be provided in each category. A requirement was also added that a social diagnosis precede any service authorization. These revisions should increase control and accountability and improve service provision. A provider agency task force on homemaker service policy was organized. It will meet periodically with the AC/SS and the program unit to develop homemaker and chore service policies.

Conversion of the homemaker service program from a non-contracted to a contracted purchase system was initiated and will be completed in fiscal year 1977. The conversion will improve program and fiscal control and provide program information about each agency. This will be useful in developing an evaluation Process.

The agreement and policies/procedures were developed for the transfer of social services to the elderly to the Department of Elder Affairs. The transfer will begin and be accomplished in fiscal year 1977. Rate increase and rate setting policies and procedures were reviewed. Final decisions will be made depending on the fiscal year 1977 budget and the activities of the Rate Setting Commission. They will be implemented through the contracting process.

#### VII. DAY CARE

The Day Care Unit has tried to clarify program standards and upgrade the quality of the day care service program. A comprehensive day care policy was developed which: more clearly defined categories of need; provided that all day care services provided by a center be purchased in accordance with the terms



of an executed contract; established a standardized fee for babysitting and independent family day care; established sanction criteria for vendor termination. Ongoing meetings with the State Day Care Advisory Committee and other day care provider groups enable their input to affect changes in the system. Also, meetings with Department staff to interpret day care policy have opened the channels of communication so staff input is used in developing policies and procedures.

The Unit has tried to strengthen its capacity to monitor and evaluate day care service provision. An evaluation model for day care services was developed and will be used by Department staff. Review of day care proposals and coordination with the Purchase of Service Unit facilitated the development of contracts both programmatically and fiscally sound. Day Care centers were reviewed, and those violating good child care practices were sanctioned and the Department ceased using them. The Unit coordinated its program with the Office for Children Licensing program, to keep informed of licensing issues in the day care area.

The Unit has reviewed and monitored non-contracted day care services too, to determine if children were receiving service consistent with both federal and state policy. Planning a coordinated Department family day care network is a priority for the Unit so independent arrangements can be improved and made more accountable to the Department.



### VIII. DIRECT SERVICES

Establishment of the Direct Services Unit gave increased visibility to the direct services delivered by Department staff through the Department's purchase of service system. It attempted to put these services in a context where they might be viewed as supportive of each other.

The principal foci of the Direct Services Unit have been (1) the coordination and integration of clinical services provided by Department staff and purchased services, and (2) efforts to improve the present social services delivery system by identifying and dealing with problems related to the nature of the social services provided to clients or the method and technique by which such services are delivered. Efforts have been made to develop a closer working relationship between the Clinical Services and Purchase of Service Units. These two units jointly reviewed contract proposals. A new input mechanism for review of contract proposals was devised. It allowed a team of local, regional and central office social service staff to participate in negotiations and decision-making. This coordination helped reduce fragmentation of service delivery. It reduced overlapping and duplication of services and provided a framework which Department and purchases service programs can supplement each other.

The Direct Services Unit has examined the nature of social services provided to clients, and the method and technique by which such services are delivered. Both Clinical Services and the Purchase of Service Unit have been involved in reviewing cases within the Department, in private agencies under contract with DPW, and in public agencies having inter-agency agreements with DPW. Cases have been reviewed for Title XX eligibility, appropriate service plan development and quality of treatment provided. The Unit is attempting to establish clear standards for effective service provision and sound social work practice. Policies and procedures being developed or revised include: intake, assessment, and diagnosis; WIN redesign; vocational rehabilitation services; family/individual life education and counseling; home management; CHINS; emergency services. The nature of the services being examined in light of the OSS' goal of providing social services which strength family functioning. Thus, program content is being reviewed in light of the needs assessment data for the Title XX plan.

### IX. CLINICAL SERVICES

The Clinical Services Unit has focussed attention on improving upon the delivery of specific services. For example, a major goal has been to increase measurable supportive services to help individuals in preparing for, obtaining, and holding gainful employment. In this regard, the Work Incentive



(WIN) Program accomplished its program goal in fiscal year 1976. WIN Job Placements totaled 6390 for 101% of the Program Goal for persons who entered full-time unsubsidized employment. Cases were reviewed and included in their focus the types of supportive services requested and provided, and the quality of the services provided.

In the past year, Protective Services saw a rise in reports of abuse and neglect. Specialized protective service units expanded to nine offices throughout the state to include a Pittsfield unit and a Brockton unit. Uncovered cases plague the Department. The Purchase of Service Unit utilized approximately 1.5 million for protective services. This includes expansions of our diagnostic capabilities with the out-stationing of workers through a Department contract with Judge Baker Guidance Center.

#### X. PURCHASE OF SERVICE UNIT

The Purchase of Service Unit has emphasized development and maintenance of a planning process between public and private agencies, making possible the identification of priority needs and agency responsibility (public/private); service levels which are adequate to meet the needs of families and children; and appropriate service delivery mechanism; documentation procedures which ensure quality services and act as a basis for data reports for program administrators.

During FY'76, there were additional funds in the Protective Services and Children in Crisis accounts. Needs assessment questionnaires were circulated by the POS unit. They showed an increased capacity to respond to referrals was needed in the protective services program. For Children in Crisis, the greatest need was in the area of emergency shelter and short-term foster care, especially for the CHINS population.

Requests for Proposals were sent out and the Department contracted to meet the identified needs. For the first time, proposals were widely circulated within the Department, both to regional and CSA offices. The local input, central office program staff comments, and POS unit staff comments determined whether or not the Department would contract with a particular agency. Protective Services signed a contract which included staff outpostting in DPW offices and establishment of Clinical Service teams in each region.

Effective 12/2/75, the Department reallocated approximately \$1.3 million dollars within the day care account to arrange for non-contracted day care with contracted centers under that center's contract. Toward the end of FY'76, the POSU began a new contracting cycle using an additional \$5.3 million to bring non-contracted day care arrangements into the contracted system.



This would bring the Department into compliance with Title XX requirements and provide greater fiscal control. Total contracts increased almost 100% during FY 76, going from 250 to 500 contracts for all services.

Early in FY 77 the POSU will begin to contract for all homemaker services. In the future the POSU will also begin to contract for community residential services now provided on an individual basis through the Group Care Unit.

## XI. SUPPORT SERVICES

The Support Services Unit has focussed on the design, development, and implementation of an integrated network of support services, that could help the OSS maximize its use of limited resources and make the service system more responsive to changing service needs. Efforts were made to design a support services structure that would (1) improve the Department's relationship and image with the community, (2) provide the community access to the OSS' decision-making process, (3) create support for the service delivery system by letting community groups and private individuals help provide certain social services.

The OSS' volunteer and housing programs show the viability of effectively using community resources as supplements and supports for the service program. The Support Unit is trying to establish a more effective and efficient model for the recruitment and placement of volunteers. This will serve as an underpinning for expanded statewide volunteer program. The Unit is also designing back-up supports for volunteers in the form of benefits that should aid the Department in its efforts to obtain and keep volunteers. The Department has about 350 volunteers often serving as coordinators, taking on specific projects, developing and operating particular programs--e.g., the Lead Paint Poisoning Program. Other volunteers are utilized for specific goal-oriented tasks such as phone reassurance programs for the elderly or working as Big Brothers and Sisters to AFDC children. Other volunteer services include: home mothering program, consultation to day care centers, consumer advocacy, tutoring, arranging for the provision of free eye examinations for the elderly, supportive activities in the Inflicted Injury and Adoption Units, etc.

Community contacts maintained by the housing program staff within the Support Unit have enabled the OSS to effectively impact on the quality of the housing environment of clients. The Housing Unit functions as a resource for and provides consultation to field staff on housing issues and maintains ongoing interaction with state and federal housing agencies to increase the supply of housing available to recipients. The Unit undertook the creation of a housing handbook for Department



staff intended to assist in the delivery of housing services, and ultimately improve the quality of housing for welfare recipients. This resource guide provides assistance to workers who advise clients in the area of housing and, also, to strengthen the relationship between field staff and regional Housing Specialists.

## XII. TITLE XX PLANNING UNIT

Title XX requires social service systems to develop and implement more viable planning processes and to create mechanisms for increasing fiscal and programmatic accountability. Prerequisites to achieving these goals are the development of updated training programs and more adequate information systems. The Title XX Planning Unit within the Office of Social Services is responsible for developing and instituting a viable planning process for service delivery and training under Title XX that will maximize community input, monitoring that process to ensure the timely completion of the required annual state plan for social service programs, and designing and developing a Social Service Management Information System that will fulfill Title XX reporting requirements.

The strategy outline by the Unit for completion of the Comprehensive Annual Social Service Plan (CASSP) involved; (1) overlapping work on the FY 77 and FY 78 CASSP's so the latter would be prepared by early September before the FY 78 Human Services Budget and could therefore have some impact upon it; (2) a firm commitment on the part of the designated agencies to citizen participation through Regional Committees that would be fully staffed and concentrate on preparing a Regional Needs Profile for the FY 78 CASSP; (3) a genuine planning effort on the part of the participating state agencies to be responsive to the prioritized needs set out by the Regional Committees.

Between December, 1975 and March, 1976, the Planning Unit succeeded in (1) obtaining a temporary full-time commitment of one regional coordinator for each of seven Regional Committees; (2) developing a method and training program for the coordinators to assist them in developing the Regional Needs Profile; and (3) organizing the selection of the seven forty-member committees involving the ten participating Title XX state agencies and representatives of private social service providers in each region. From March through May, the Regional Committees met regularly and produced a series of Regional Need Profile documents that were uniformly satisfactory. During this period the Department also held public hearing on the FY 77 proposed CASSP.

Social Service staff estimated client and service expenditure levels and program structure outlines, and worked on improved service definitions. The planning staff wrote and assembled the FY 77 Proposed CASSP. Public comment was incorporated into the final FY 77 CASSP and this document was published on schedule (April, 1976).

The Planning Unit intends to prepare the FY'78 CASSP by late August/early September in order to precede the development of the FY'78 Human Services Budget and thereby have some impact upon it. The FY'78 CASSP will be structured around an area-based comprehensive social service plan. This will require very detailed estimates. An elaborate strategy for assembling and organizing this data has been developed. Suggestions for new program have been solicited from Regional Committee members and public and private providers. About seventy-five of these proposals have been submitted. They will be summarized in the proposal CASSP and recommended to the appropriate implementing agency for inclusion in their FY'78 programs.

An elaborate system for reporting and estimating social service expenditures has been developed for the purpose of making the Title XX claim. This includes development of an Individual Recipient Basic Data File detailed procedures safeguarding privacy in accordance with the Fair Information Practices Act.

The Planning Unit has undertaken the design and development of a Social Service Management Information System that will fulfill Title XX reporting requirements. The implementation of an interim manual reporting system for Title XX services had been delayed because of lengthy negotiations with provider organizations who objected to these reporting requirements on the grounds that they violated the client's right to privacy. The Office of Social Services eventually developed a policy position on instructions for reporting after HEW abandoned its requirement for an Individual Recipient Basic Data File. The Planning Unit and a Task Force for Security and Privacy made up of public and private providers are developing strategies to establish permanent high standards for the Commonwealth in regard to confidentiality issues.



## OFFICE OF MEDICAL ASSISTANCE

I. OVERVIEW

The aim of the Office of Medical Assistance is to purchase high quality Medical Care for Medical Assistance recipients at the lowest possible cost to taxpayers. Massachusetts provides a full range of Medical Services including hospital and long-term care, mental health services, home health services, dental and pharmaceutical services, and screening and diagnostic programs for children.

During FY'76, expenditures in the Medical Assistance program amounted to approximately \$570 million. This figure represents an increase of about \$60 million over FY'75 expenditures. The program areas with the greatest percentage shares of expenditures were:

- Hospitals	44%
- Nursing Homes	35%
- Pharmacy	6%
- Physician's Services	6%
- Dental Services	5%

To cope with the rapidly growing Medical Assistance program, the Department significantly increased its medical assistance staff during FY'76. As of July 1, 1976, the staff had grown to include eight-two persons. Substantial turnover occurred during the year with twenty-six people leaving the office.

The rapidly rising costs of government services during a period of declining economic growth in the state led to legislative cutbacks in many programs, including the Medical Assistance program. The Medical Division was forced to limit the provision of some medical services. Reimbursement for medical services for General Relief recipients was eliminated in December, 1975 (however, on 12/15/75 the Department restored reimbursement for life-sustaining drugs). Allowable physicians' fees were reduced by 30% effective February 2, 1976. The Department limited reimbursement for administratively necessary days in acute care facilities. Effective March 20, 1976 the Department no longer provided reimbursable dental services for adults. Vision care services were limited. Pharmacies were not reimbursed for dispensing cold and cough preparations. The Medical Assistance program eliminated chiropractic services and the purchase of hearing aids for adults. Some services, including dental services for adults and General Relief medical services, will be partially restored in FY'77.

During FY'76, the Department of Public Welfare applied to the U.S. Department of Health, Education, and Welfare (HEW)



for approval of the installation of a claims processing and information retrieval system called Medicaid Management Information System (MMIS). MMIS will enable the Medical Division to control vendor payments and to obtain management information. The Federal government provides 90% Federal matching funds for the design, development, and installation of MMIS. At the beginning of FY'77 HEW approved the Department of Public Welfare's application. MMIS will go up for bid during FY'77.

## II. ALTERNATIVE CARE

### Home Health

Home Health care can be the key which unlocks institutional doors. Many elderly and disabled people can avoid, or be discharged from institutions if adequate and appropriate health services can be supplied in a community setting. In addition to the obvious personal benefits that community-based care can offer, there are major financial benefits to be gained by developing alternatives to costly institutional support. However, de-institutionalization is a relatively new concept, and home health resources must be aggressively sought and developed if these benefits are to be realized.

The Medical Assistance Division's Home Health staff was increased from one to three persons during FY'76, with the addition of a nurse consultant and an administrative staff member. These three people are assigned to the development of alternative medical treatment for persons who would otherwise be placed in institutions. In addition, the staff of the Medical Assistance Division worked closely with other state agencies, such as The Department of Public Health and The Department of Elder Affairs, in developing a state-wide home health policy and in establishing a coordinated community-based home health delivery system that can substitute for institutional care.

The program worked toward expanding the homemaker-home health aide resources, dovetailing the social and medical support systems available in the community and revising Conditions of Participation for home health agencies. The Medical Assistance Division also worked closely with primary care providers in developing new models of home health delivery.

### Severely Physically Disabled (SPD) Program

The Boston Center for Independent Living (BCIL) has an agreement with the Department to provide an alternative to institutionalization for the severely physically disabled (SPD)

population. Since its inception in September, 1974, the BCIL has provided transitional housing for thirty-two SPD persons. Through this transitional living arrangement, BCIL attempts to develop self-direction and responsibility in SPD's, so that they may eventually move into community-based housing.

During FY'76, BCIL initiated a program to arrange placement for SPD's in the community. Six persons are now living in cluster situations and five persons are living independently. Another center for independent living is under development in Worcester.

### Transportation

The primary objective in the Transportation Program in FY'76 was the establishment of tighter program controls. Ongoing review of all provider types was extensive and resulted in the referral of several providers to the Sanctions Division.

In the taxi program Conditions of Participation were drafted and reviewed by program staff and providers. The Conditions of Participation will be promulgated early in FY'77. The promulgation will result in: 1) better quality service for recipients and 2) more efficient monitoring and control by staff.

Chair car providers have increased in number since their addition to the transportation program in FY'75. The Medical Assistance Office began with four providers and currently has forty-two chair car providers offering state-wide service to handicapped and disabled recipients who previously relied on the more costly mode of ambulance transportation.

Program staff attended meetings with the Executive Office of Transportation and the M.B.T.A. in an effort to coordinate less costly, more accessible state-wide transportation services that will benefit Medical Assistance recipients as well as the general public.

## III. PHARMACY AND DURABLE GOODS

### The Pharmacy Program

During FY'76, budgetary pressures to reduce expenditures and program needs to maintain comprehensive drug coverage led to a re-examination of current reimbursement policies. Medical Assistance eliminated cough and cold preparations as covered drugs, but continued to reimburse for all other therapeutic classes.



The Medical Assistance Division actively involved the Massachusetts State Pharmaceutical Association and the Board of Registration in program development in such areas as conditions for use of oral prescriptions and the definition of estimated acquisition cost (E.A.C.) of drugs. (The estimated acquisition cost of a drug to a pharmacist is the basis upon which the Department determines its reimbursement rates.)

The addition of one full-time staff member enabled the Pharmacy Program to expand its activities. Pilgrim Health Applications (PHA) continued to provide a basis for improvement in the program by efficiently processing claims.

All reimbursable prescription drugs must be part of a treatment for a physician-diagnosed medical condition. The Medical Assistance Division attempted to identify those drugs which do not have proven effectiveness or have been over-utilized. With the aid of a committee of physicians, the Medical Division selected material from current medical literature concerning such drugs. This material was incorporated into informational letters and sent to physicians. The Medical Division hoped that such information would influence and perhaps change some drug-prescribing habits.

Utilization Review of claims for pharmacy services continued to provide a mechanism for the investigation of practices of patients, pharmacists, and physicians. Medical Assistance also contracted with PHA to do routine audits in pharmacies.

The Medical Division employs a conditional drug list rather than a limited closed formulary. Although any Federal Drug Administration (FDA) approved drug is potentially reimbursable, some classes of drugs have been restricted or eliminated.

During FY'76, program staff reviewed reimbursable drugs and the reimbursement level for all drugs. The staff completed initial work in redefining the maximum allowable rates through the consideration of two factors: 1) Whether the pharmacist buys directly from a wholesale house; and 2) the number of pills in the package size most frequently purchased by pharmacists.

#### Durable Medical Equipment, Optometry, Podiatry

During FY'76, the Medical Division modified the Durable Medical Equipment, Optometry, and Podiatry programs with the intent of controlling unnecessary costs while maintain-

ing a full range of services. For example, in the Optometry program new policy restricted reimbursement for lost and broken glasses, while in the Podiatry program new policy delineated the types of foot care services reimbursable in a nursing home.

With the help of Medical advisors the Medical Division was able to implement criteria for the use of oxygen machines and other respiratory equipment. By applying these criteria to individual requests, the Medical Division is attempting to ensure that the equipment is medically necessary increase in the number of staff processing prior approvals in these program areas has also improved the control of services provided.

#### IV. AMBULATORY CARE

##### The Mental Health Program

The last few years have witnessed a dramatic growth in the types and quantity of mental health providers. Developing from a program of reimbursement for eligible recipients in State Mental Institutions, the Medical Assistance's Mental Health program has expanded to cover such additional services as psychotherapy provided by private psychiatrists, psychological testing, mental health clinic services, psychiatric day treatment programs, medical comprehensive (CORE) evaluations for "special needs" children, intermediate care facilities for the mentally retarded and in-patient psychiatric services at certified public psychiatric hospitals (if over 65) and general hospitals (for any age). The thrust of the Department's efforts has been to develop and maintain a range of community-based alternatives to traditional forms of institutionalization, as well as to improve the capability of the community to deliver a continuum of services to Medical Assistance recipients with severe emotional problems.

Fiscal Year 76 was a period of consolidation. The Department promoted the development of adequate and appropriate mental health services for Medical Assistance recipients within the existing framework of Departmental guidelines; six mental health clinics, seven mental health programs in neighborhood health centers, and two psychiatric day treatment programs were approved during FY'76.

The Medical Assistance Division also continued to offer its technical assistance to providers in establishing billing systems, improving clinical records, and instituting case review procedures.

##### Laboratory Program

The provision of basic laboratory services is essential for



the diagnosis, treatment, prevention, and detection of disease and for the maintenance of health. The program does not reimburse providers for non-essential or experimental laboratory services or procedures performed for teaching purposes. All tests must constitute a significant service based on demonstrable medical need. Expenditures in the Independent Laboratory program during FY'76 amounted to approximately \$850,000.

During FY'76 the Department developed mechanisms to monitor the Laboratory program. These mechanisms included:

1. The enrollment of each independent laboratory by its specialty areas so that a laboratory will be reimbursed only for those tests that it is certified to perform;
2. The control of duplicate billing; and
3. The enforcement of existing policy allowing physicians to bill only for tests performed in their offices.

The program developed a Blind Proficiency Test to ensure quality of care. In this pilot project, quality control blood samples will be sent to independent laboratories and hospital laboratories for specified testing. Experts will have already tested the samples. Results of the two tests will be compared to determine the quality of service provided by the laboratories. This program will be implemented in FY'77.

The Medical Division also plans to write laboratory policy for physicians in FY'77.

#### Family Planning Services

Family planning services are those medical, education, and social services which enable people, (including minors), to exercise freedom of choice with regard to the size of their family and the spacing of children. The prime objective in making family planning services available is to provide people with the "tools" with which to exercise this freedom of choice and to provide these services in such a way that people may exercise their rights knowledgeably and in accordance with individual conscience.

In addition, since general physical health factors have a strong influence on people's abilities to take advantage of the full range of choices, the Department encourages family planning providers to act as a point of entry for the recipient into the health care delivery system.

During fiscal year '76 staff completed the evaluation of free-standing Family Planning Agencies begun in the previous fiscal year. Results of the evaluation were sent to the Agencies. Plans have been formulated to follow-up the recommendations made by the evaluation in the coming fiscal year.

A concerted effort was made to gather better information about the services rendered through the Family Planning Agencies to provide the Department with greater program management capabilities.

In response to findings of non-compliance with federal and state regulations on sterilization, the Department developed a new method to monitor the Sterilization program. The Department will require providers of sterilization services to attach a copy of the Sterilization Consent Form to completed invoices. The Department will then have greater assurance that informed consent is obtained from a patient prior to the sterilization procedure. This requirement will be implemented early in FY'77.

#### The Dental Services Program

FY'76 was a year of cutbacks in dental services. As a result of the provisions of Chapter 684 of the Acts of 1975, the Department was required to restrict dental care for adult recipients. The Department implemented this mandate in two phases. The first phase occurred on February 1, 1976. Dental care for Medically Needy Adults was terminated. Reimbursable services for categorically needy adults were limited to payment for fillings, x-rays, extractions, and oral surgery for relief of pain. On March 20, 1976, payment for dental services for all adults was terminated by the Department, with the exception that dentures following very recent extractions continued to be payable.

The FY'77 budget restores "basic adult dental services". Late in FY'76, the Medical Division had already begun to develop a new dental policy for FY'77, providing "limited adult dental services". The budget legislation broadened the scope of reimbursable services for adults. Policy was written to reflect this and will be implemented by August 1, 1976.

The revised dental policy will include new controls. The Medical Division estimates that these controls will result in savings of \$1.5 million. Prophylaxis has been reduced to an annual, rather than semi-annual service. The number of services requiring prior approval has been increased and



and now includes full mouth x-rays, extraction of impacted teeth, and elective surgical procedures. Payment has been eliminated for pulp capping, cast base partial dentures, home or nursing home visits, and reproducing acrylic dentures. Requirements for prior approval of dentures have been tightened.

### Physician Service

During the first half of fiscal year 1976, the Ambulatory Care Unit worked with the Rate Setting Commission to review and revise the fee schedule for Physicians and Dentists. The most significant changes were:

1. listing recommended fees for procedures designated as Individual Consideration to allow physicians the choice of waiving professional review of the claim in order to expedite processing; and
2. assigning codes to capture the number of office visits being claimed for recipients twenty-one years of age and under in order to comply with federally mandated EPSDT report requirement.

The fee schedule was not implemented because the Legislature prohibited the adoption of new rates during the fiscal year.

In January the Department assigned a manager and subsequently, a staff person to the newly created Physician Services program which became a distinct component within the Ambulatory Care Unit. The functions of the program are:

1. general policy development pertinent to all participating physicians.
2. implementation of policy as it relates to claims processing.
3. collection and analysis of information concerning the amount, frequency, type, location and cost of physicians' services.
4. acting as a resource to other Medical Assistance Program areas, Departmental units and state agencies.
5. maintaining provider relations with individual physicians and related professional organizations.
6. providing professional review for Individual Con-

sideration procedures, prior approval requests and questionable claims.

The major activities of the program during the fiscal year were:

1. Implementing the legislative mandate to reduce fees for physicians' services by thirty percent on February 2, 1976.
2. Working with the Office of Research and Planning and the Project Management Office to collect information to assess the impact of the fee cut on the cost and delivery of medical care to recipients.
3. Planning and writing a Physician Manual designed to integrate Medical Assistance Program policy, fee schedules and billing procedures into one source for participating physicians. Several editions of the manual are planned beginning with the first in September 1976. The first edition will feature a revised format, clarification of billing procedures and expansion of policy. The second edition will emphasize development and implementation of Conditions of Participation for physicians and realization of a physician services information system.
4. Expanded report capability of the Vendor Payment System, Phase 2 enabled the Physician Services Unit to determine the following distribution of the \$30,000,000 spent for physicians' services in FY'76.

<u>Primary Care</u>	<u>30%</u>
Office Visits	(29%)
Home Visits	(.5%)
Nursing Home Vis.	(.5%)
<u>Specialty Services</u>	<u>10%</u>
X-Ray	( 5%)
Tests	
Special Treatment	
(e.c., psychiatry, ( 5%)	
physiatry)	
<u>Hospital Services</u>	<u>60%</u>
Visits	(10%)
Surgery	(50%)



The \$9,000,000 paid to physicians for office visits represents an average payment of \$10 per visit.

### Early and Periodic Screening Diagnosis and Treatment (EPSDT)

This is a federally mandated pediatric health care delivery plan for all Medical Assistance eligibles from birth through twenty-one years, as directed by the 1967 Amendments to the Social Security Act. The program emphasizes preventive health care. Its objectives are to ensure detection and treatment of health problems before they become chronic or irreversible.

The terms Early, Periodic, Screening, Diagnosis, and Treatment indicate health care as early as possible or as soon as a child becomes eligible for Medical Assistance and at regular intervals thereafter. The screening includes history and physical examination tests of blood, urine, hearing, vision, etc., and diagnosis and identification of potential or significant defects. The treatments include initial treatment and referral to correct the disorders identified, as well as immunizations regarded appropriate to a child's age.

In Massachusetts, the Medical Division firmly believes that EPSDT should be part of ongoing medical care within the mainstream of the Commonwealth's Medical Assistance program and within the broader mainstream of the existing organized health care delivery systems, i.e. primary care physicians, health centers, clinics, hospital out-patient departments, etc. It is essential that the Medical Division reach eligible individuals from birth through twenty-one (21) years of age who are not already receiving routine preventive medical and dental care and link them into a regular system of comprehensive care. It is further essential that such linkages be made with providers of medical services who are capable of caring for all of a child's or young adult's medical needs from screening on through diagnosis and for a treatment or referral for treatment.

The major problem for EPSDT during FY'76 was a lack of staff to carry out the outreach activities which comprise the first step in linking individuals to services. The HEW - federally threatened fiscal sanctions for failure to comply with program regulations inspired a dramatic expansion of the Department's EPSDT commitment and efforts. Activity is now taking place along the following fronts:

1. hiring of three additional central office staff to administer the program
2. development of policy for the Medical Assistance, Social Service, and Assistance Payments Manual

3. hiring 38 CETA personnel to work in regional CSA's and serve as EPSDT personnel
4. development and implementation of routine informing-via mailing effort.
5. development and implementation of routine informing and outreach scheme to be regularly carried out in Welfare Service Offices.
6. development, in conjunction with Training Unit, of an EPSDT training program designed to sensitize all staff. This program is scheduled to begin in the fall of 1976.

## V. LONG-TERM CARE

### Chronic and Rehabilitation Hospital

During FY'76 two important activities undertaken by the Chronic and Rehabilitation Hospital programs were:

1. The examination of issues raised by the implementation of utilization review policies in chronic and rehabilitation hospitals. Following consideration of these issues, the Department planned to implement utilization review mechanisms and issue a patient transfer policy during the coming fiscal year.
2. The imposition of sanctions on hospitals that were not in compliance with federal hospital standards. As a result of the enforcement of federal hospital standards, a number of providers withdrew from the program.

### Utilization Review

Utilization review and patient placement were also important issues in the nursing home program. During the winter, the Department embarked upon the utilization review pilot project in nursing homes and chronic hospitals involving the review of cases for both admission and continued staff. From this project, the Department learned a great deal about utilization and discharge planning activities. This information should provide the Medical Division with a basis from which to design future programs.

## VI. LONG TERM CARE PROGRAM

### Personal Care Funds

During the Fiscal 1976, the Long-Term Care program completed audits of the Personal Care Funds (PCA) manage-



ment of nearly one half of the nursing homes in the state. Cases were referred to the Bureau of Welfare Auditing or to the Sanctions Unit when applicable. The old PCA policy was revised in order to establish standards and accounting controls for personal needs allowance accounts when the nursing home acts as trustee for Medical Assistance recipients. Ongoing projects included the re-writing of : 1) nursing home provider contracts; and 2) policy concerning discrimination against Medical Assistance recipients in nursing homes.

#### Relocation of Nursing Home Patients

During Fiscal '76 the Long Term Care program assigned two staff halftime to work on relocating nursing home patients from those homes which were being removed or were withdrawing from the Medical Assistance Program. The Medical Assistance Division attempted to prepare patients, families and staff for relocation in order to alleviate trauma and also reduce mortality rates. The program is developing guidelines on relocation so that homes can learn to help themselves during relocation.

#### VII. STATE MEDICAL REVIEW TEAM - (SMRT)

The activity of SMRT has remained relatively constant throughout FY'76. There was some increase in the cases following termination of medical coverage for General Relief recipients in December. Instead of referrals to SSI-D, WSO's encouraged MA/DA coverage because, at least by reputation, SMRT acted faster than Social Security.

Central office has cooperated to give priority review to any case where cause was shown for an urgent decision. This has been effective for potential applicants. However, the policy is not evenly applied throughout the Commonwealth.

There is a need to continue working with Assistance Payments to develop appropriate policy for the manual, and also to work with the training unit for better understanding of SMRT in the field.

#### VIII. HOSPITAL PROGRAM

During Fiscal Year 1976 the Hospital program staff concentrated its efforts on improving controls over utilization of service.

A more restrictive policy on Administratively Necessary Days was implemented. The intent of the policy was to limit payments to hospitals for patient days which are "medically unnecessary" at the acute level of care.

Determination of the medical necessity of each patient day in an acute hospital setting is made by medical professionals through CHAMP (Commonwealth Hospital Admissions Monitoring Program) or by a PSRO (Professional Standards Review Organization.) The Directors and the Rate Setting Commissioner are re-examining the current prospective Rate System.

During the fiscal year Federally mandated and funded PSRO's began to take over the functions of hospital utilization review from CHAMP. CHAMP has been under contract with the Department, but, PSRO's will have no contractual ties with the Department.

Program staff reviewed and expanded the sections of the Medical Care Plan dealing with Acute Hospitals. The resulting policy will be implemented in Fiscal Year 1977.

#### IX. PROVIDER REVIEW UNIT

During FY'76, the two person office of Sanctions burgeoned into the twenty-eight person Provider Review Unit. The Provider Review Unit encompasses:

- Sanctions
- Provider Reviews
- Provider Master File
- Explanation of Medicaid Benefits
- Policy Development

#### Sanctions

Full time sanctions staff increased to three persons during the past fiscal year. Increased staffing allowed the management of a larger volume of cases, resulting in sanctions being imposed against more providers, and more money repaid than in any previous year. Work with Medical Division program personnel encouraged tightened regulations, and the sanction regulations were re-written for promulgation during FY'77. Closer cooperation with other agencies, particularly the Bureau of Welfare Auditing, the Department of Public Health, and the Board of Registration and Discipline in Medicine, was achieved and will continue in the future.

#### Provider Review

A provider review program was implemented for the first time in FY'76. Fourteen auditors and two management personnel are responsible for accumulating information from on-site visits to providers. The new field review program provides the Medical Division with a mechanism to gather information necessary to policy development and improved program management, a means of assisting providers parti-



cipating in the program, and an improved capacity to identify those providers not complying with the regulations of the program.

#### Provider Master File

Management of the Provider Master File moved into the Provider Review Unit over the past year. All applications for provider numbers are now thoroughly screened for proof of licensure and other appropriate credentials.

#### Explanation of Medical Benefits

The unit was responsible for the monitoring of the pilot program issuing EOMB (Explanation of Medicaid Benefits) to recipients. An EOMB for dental services was designed, implemented, and revised during FY'76. A sampling of those recipients on whose behalf the Department has paid a dental bill now receive an EOMB requesting verification of the provision of services. An EOMB for physician services has been designed and is awaiting implementation during FY'77.

#### Policy Development

Finally, the end of FY'76 saw policy development move into the Provider Review Unit. Increased coordination between the Review and Policy Development functions should result in mutual benefits, encouraging improved compliance and understanding of better-developed Department policy.

#### X. "COST-EFFECTIVENESS UNDER MEDICAID" FEDERAL GRANT

The Cost-Effectiveness Project struggled through its first year with a skeleton staff and a specific purpose; to obtain the remainder of funds released from Washington. This purpose was achieved in June, and a full staff is now being installed.

The task for the Cost-Effectiveness Project is to develop and implement medical criteria in the ambulatory and long-term care areas to ensure that medical goods and services are provided only when necessary and useful. All criteria will be written for three areas: the prescription of dentures in nursing homes, the use of tinted lenses and bifocals, and the use of the class of drugs called peripheral vasodilators. Immediate areas for study are oxygen, ambulance transportation, and durable medical goods.

At the end of its project, the Cost-Effectiveness staff hopes to have proved the feasibility of using medical criteria in a Medicaid program.

## CHAPTER SIX

### OFFICE OF RESEARCH AND PLANNING

#### I. OVERVIEW

The Office of Research and Planning is responsible for providing the Commissioner and the Department of Public Welfare with some of the information and assessments necessary for decision making in the areas of operations management and program policies. The Office also is the agency designated to fulfill federal reporting requirements, and in producing these reports also provides feed-back to management. In addition, the Office provides what is essentially public information to a variety of constituencies, including the Legislature, state officials, advocacy groups, the academic community and the general public.

To accomplish these goals the office produces the information, data and reports through a series of projects, most of which require close collaboration with staff in the field and Central Office, who are the real users of the information, along with a team approach within the office between the planning, technical, analysis and clerical support functions.

#### II. MAJOR PROJECTS COMPLETED IN FISCAL YEAR 1976

-GENERAL RELIEF STUDIES - In response to the need to determine the effects of certain program changes made necessary by the Commonwealth's financial crisis three reports on the General Relief Program were completed.

The first report (August 1975), "Sample of General Relief Employable Recipients" was an analysis of the "pre-cutoff"- population. The data suggested that the economic environment was to a large extent responsible for the increase in caseload. The employable caseload was predominantly white (78%), male (68%) and under 26 years old (52%). Almost half were living alone and 98 percent of those sampled had prior work histories. Over half had less than a high school education.

The second report (May 1976) "Elimination of the General Relief Medical Program: The Three Month Impact on Unemployable Recipients of General Relief", found that the average unemployable individual was middle-aged, (45), with only a poor education, (9th grade), little medical insurance, (10%), and had been receiving assistance for almost two years.

We found that the reported need for medical and dental care in this period was great; over 88 percent of the sample reported at least one medical or dental problem requiring care and 72 percent required medicine.



Because of discouragement many recipients who needed care did not seek it but of those that did, almost all received care, but many only after some denial. Of those that tried to obtain emergency care, 21 percent had been denied the care at least once and of those that tried to obtain medicine up to 26 percent couldn't obtain it. Another 40 percent obtained it only after being denied at least once.

The General Relief medical program was partially restored at the beginning of FY 1977.

The third report (May, 1976) was "Termination of General Relief cash and medical assistance to Employable Individuals: A Four Month Follow-up Study". This study was designed to answer the question. "How did people manage after being dropped en masse from the General Relief rolls?"

At the time of the study, 31% were working, 47% were living with relatives and friends but not working and 18% were not working but living alone with help from friends, relatives, unemployment compensation, and food stamps.

Eighty percent looked for work and 44 percent found work some time during the study period but employment was concentrated in the low-wage, low-skill sector of the economy. Women were better able to find employment at this time except for older males who were more successful if they tried to find a job.

There appears to have been a shift from living alone to living with friends and relatives after the GR cutoff and approximately 70 percent of the respondent group were living with others by the end of the study period.

There was a dramatic drop in participation in the Food Stamp program among this group, and significant problems in obtaining health care were reported.

-SSI HOMEMAKER/CHORE SERVICE SURVEY - This was a study undertaken to have available some basic information about the elderly and disabled who receive homemaker and chore service. It was found that the distribution of Homemaker/Chore expenditures by region was not consistent with either the distribution of SSI recipients or the distribution of the "population at risk". Also, there was virtually no difference between the tasks performed by homemakers and by chore workers. The average client receiving this service at the time of the study was female (87%), over 70 (73.5%) living alone (76%) in private housing (57%), and had been receiving this service for approximately 18 months. It was found that constant monitoring by the social workers is needed to insure that adequate care is provided but only when actually needed.

This study resulted in information documenting the need for additional resources under the critical services program and also used as input into planning regulations changes.

-QUALITY CONTROL SEMI-ANNUAL REPORTS - In the fiscal year 1976 two quality control reports were produced for the AFDC program and the quality control system was expanded to include the Medical Assistance and Food Stamp programs. These reports are used by management to reduce the error in determining eligibility and overpayment and underpayment of the proper grant.

A significant reduction in the number and percent of errors was made between the July-December 1975 period and the January-June 1976 period with an overall decline of 8.2 percent. The number of ineligible cases found to be eligible fell from 8.6 percent to 7.6 percent, the number of overpayments from 20.1% to 14.6 percent and the number of underpayments from 5.4% to 3.7 percent. Compared to the January-June 1975 period, the overall reduction in error was 22.1 percentage points.

Largely responsible for this reduction in error was the Consolidated Grant, changes in reporting requirements around the "Unemployed Fathers" segment of AFDC, some revisions in requirements (allowing one month for changes) and cases under appeal considered to be correct.

-STAFFING AND CASELOAD REPORTS (SA34 and SA35) - A series of reports were produced in Fiscal Year 1976 (February) which indicated the distribution of resources among the regions and between programs. The reports were for both the Assistance Payments staff and the Social Services staff. Reports from the latter group were used for the allocation of staff among the regions.

-TITLE XX REPORTING SYSTEM - Starting with the quarter ending December 31, 1975, the Department had at its disposal, for the first time, a comprehensive report of the services provided under Title XX of the Social Security Act. These included contracted services, non-contracted purchase of services and direct services provided by the Department plus all Title XX services provided by public agencies outside the Department of Public Welfare such as the Department of Corrections, Department of Elder Affairs, Department of Mental Health, Department of Public Health, Department of Youth Services, Massachusetts Rehabilitation Commission and Office for Children.

Based on a 2% sample it was found that the principal services provided were Day Care, Case Management, Family and Life Counselling, Foster Care, Family Planning and Homemakers.

-ANALYSIS OF THE 1975 ADOPTION REPORT,--SRS-NCSS-280 - It was found that 1034 adoptions were completed, a decrease of approximately 14% from the previous year.



Most of the placements were made through an agency (91%) and two-thirds were made through a private agency. The percent of subsidized adoptions increased from 4 percent in 1974 to 14 percent in 1975. There had also been a substantial increase in the number of single parent adoptions (29) in 1975 compared to only 4 the year before.

-ANALYSIS OF THE REPORT ON METHODS DEALING WITH QUESTIONS OF RECIPIENT FRAUD IN STATE PUBLIC ASSISTANCE PROGRAMS, SRS-MCSS-110 - The report for Fiscal Year 1976 indicates that the total number of cases processed was 1,335 or a 21% increase over the prior year. Of this total 95 percent were AFDC cases but for 70 percent of the cases it was found that the facts were insufficient to support a question of fraud; an increase of 82% over the previous year.

Where the facts were sufficient (443 cases), 90 percent were referred to law enforcement officials. Other cases were referred to civil officials. Prosecution was initiated for 375 cases, down a third from the year before. Findings would suggest that we are either "over-referring" or "under-prosecuting".

-CONSOLIDATED GRANT-AFDC - The calculations of the cost and benefits of a series of options with regard to the simplified consolidated recipient budget were made by the Office. The budget that was finally adopted resulted in 62.2% of the cases as receiving an increase, with the average increase being \$35.16 per month. The average decrease to those whose benefits were reduced was \$31.92. The estimated increase in annual expenditures resulting from the change in budgeting methods was seven million dollars. The basic advantage to the consolidated budget implementation was the ease in determining the correct budget because of fewer variables, etc., equity factor that all families the same size would get the same size grant and the resulting lowering of the quality control error rate.

### III. PROJECTS STARTED IN FISCAL YEAR 1976 AND COMPLETED IN EARLY FISCAL YEAR 1977.

- CORNELIUS ASSISTANCE PAYMENT STUDY - In August 1976 a report was distributed that described the time it takes to perform certain functions in a welfare office for the assistance payment program. This was in response to a court case and the Department's needs for a valid and reliable indicator of agency responsiveness especially at the local level. The major findings were as follows:

1. The average AFDC request was processed (client request to computer entry) in 10 calendar days.
2. The average local office processing time for an AFDC request was eight days.

3. Grant increases took an average of 12 days while decreases took fifteen days.
4. The individual office time ranged from an average of 8 to 19 days for increases and 16 to 28 days for decreases.
5. The longest step in the process was from client's request to verification.

-LOCAL OFFICE CONSOLIDATION - This study, with results published in July 1976, and entitled "Local Office Consolidations: A Survey of Client Attitudes to the Proposed Closing of 24 Small Welfare Service Offices", reported the results of a questionnaire sent to 824 clients in the area covered by the closings, of which 366 or 44% were returned. Answers to the questions included hard information, opinion and comments. In general it was found that the clients were indifferent toward the closings, although clients in areas where the new office would be relatively long distance away were strongly against the new mergers.

It was also found that most clients either walk or drive to their present Welfare Service Office and public transportation, when available, is infrequently used. Most clients visit their office less than twice a year and two-thirds of these visits were for non-emergencies.

-FOOD STAMP APPLICATIONS REPORT - Results of the Food Stamp Application Report for the January-May 1976 period were distributed in August 1976. For the non-public assistance households the number of applications peaked in March (15,827) but were generally those of the same month a year before.

Of the applications processed, over the five-month period, 78% were approved compared to 71% approved in the same period in 1975.

The number of applications pending decreased from an average of around 12,500 in the September 1974 through January 1975 period to around 3,200 in the April 1975-May 1976 period, reflecting substantial improvement in processing efficiency.

-FOOD STAMP RECERTIFICATION REPORTS - This new report was designed to determine the number of unprocessed and overdue recertifications or reviews to determine the present status of food stamp cases relative to eligibility and other requirements, such as correct purchase requirements. The August, 1976, report on these functions indicated that the number of recertifications increased from February to May, 1976, by 66 percent (from 8,361 in February to 13,875 in May 1976), although a large part of the increase was between February and April. Timely recertifications accounted for 67 percent of the total over the four month period. However, the reports identified a back-log of approximately 20,000



cases over-due for recertification, of which approximately 3/4 were over-due by more than one month.

-STATISTICAL SUPPLEMENT TO THE ANNUAL REPORT.- This report, to be used in conjunction with the Department's Annual Report, was issued in August and contains statistics and technical data describing the operations and impact of the Department in the Massachusetts environment.

#### IV. PROJECTS BEGUN IN FISCAL YEAR 1976 WHICH ARE ONGOING, OR COMPLETED IN FY 1977

-THE AFDC CHARACTERISTICS STUDY - A study designed to provide information on the children, parents, and grantees of assistance under this program such as age, education, reason for deprivation etc.

-MANAGEMENT REVIEW INDICATORS - The development of a system to identify the major indicators of local office performance so that every level of the Department will be held accountable.

-CORNELIUS SOCIAL SERVICE STUDIES - A series of four reports will be issued as an outgrowth of a court case with the first dealing with single social services provided by the IRF workers, the second; services provided in the WIN program, the third, a report on informational and referral services provided by the Department and the fourth on child welfare services.

-STUDY ON THE IMPACT OF REDUCTION IN PHYSICIANS FEES - The purpose of this study was to determine what effect, if any, the 30 percent reduction in physicians fees, which became effective on February 1, 1976, had on the level, and the method of provision of care. Our approach was to compare aggregate utilization and expenditure data for 2 periods: the first 7 months of fiscal 1976 (the "before" period) and the first 5 post-cutback months (the "after" period). The data did not demonstrate a significant drop in the number of physician visits caused by the fee reduction, but did indicate a clear trend, running consistently through both the "before" and "after" periods, for an increasing percentage of physician claims to be for more lengthy and costly office visits.

-EMERGENCY ASSISTANCE IMPACT STUDY - This study was designed to determine the impact of the Emergency Assistance cutbacks using a sample of over 1,500 AFDC and GR clients. It will try to measure how well the special needs program met the requirements of the clients and how the clients are coping with the severe limitations of the redesigned special needs program.

-WORKER/AGENCY ERROR RATE PROFILES - A study was initiated in Fiscal Year 1976 to develop a methodology Federally funded for identifying error-related worker and agency characteristics,

to evaluate the costs associated with the implementation of the methodology and how to keep these at a minimum, to formulate specific implementation methods and to cross-validate and determine if the methodology and findings have a broader application potential. This study includes a strategy for the implementation of the findings and their utilization by management. Useable by-products are expected to include measures of worker morale and attitudes, and a desk audit format adaptable to the Quality Assurance Function.

#### V. LOOKING TOWARD FISCAL YEAR 1977

The following projects were begun in early Fiscal Year 1977 and should result in reports later in Fiscal Year 1977.

-WELFARE REFORM - The Office will be providing a coalition of local officials, state legislators, county officials and others with technical assistance in the development of model welfare reform legislation; especially in the area of Budget Standards.

-QUALITY ASSURANCE FUNCTION - Some effort will be devoted to determining the nature of the Quality Assurance Function, especially in assuring that sample sizes will be large enough to determine local office performance.

-EVALUATION CAPACITY - An exploration of the ways that an evaluation of social service delivery system can be made on an ongoing basis will receive a relatively high priority.

-OTHER PROJECTS - Research work still remains in the area of testing various delivery models, the best and most efficient manner of distributing caseloads, the optimum size of the caseload per worker or per group of workers and other factors which will determine if the Department is operating at peak efficiency.

-FAMILY RESPONSIBILITY PLAN - It is expected that legislation revolving around the need and responsibility of children with high incomes to contribute to the support of their parents in nursing homes will be resubmitted. This will require some modification of plans submitted in the past.

-GENERAL RELIEF CONSOLIDATED BUDGET - A series of projections will be made to determine the costs and benefits of various options regarding a simplified assistance budget for General Relief cases that will include all or many of the variations that now have to be considered.

#### V. OTHER RESPONSIBILITIES IN FISCAL YEAR 1976

In addition to the projects discussed above, the Office of Research and Planning maintained its ongoing functions; processing



federal reports, providing technical assistance and answering inquiries of a statistical nature received by mail or telephone.

For example, the forms GR 10 and GR 11 were designed to gather information on the impact of legislation regarding the number of denials of General Relief assistance by reason for denial. Special attention was given to the number of cases denied because of employability. The report, still in use, was implemented in November, 1975, immediately after the change in eligibility rules.

Technical Assistance was provided to the Appeals unit in the form of assistance in designing an informational system, providing a monthly listing of all pending appeals, using the computer terminal in the Office of Research and Planning, the production of the Federal Report on Appeals and answering special requests from the courts.

Data processing assistance relative to the Donated Funds Accounting System took the form of monthly updates and additions to determine the disbursements to various receivers and the use of the terminal for ordering, sorting and tabulating. Assistance was given to the Office of Finance for budget projection and forecasts of vendor payments; to the Office of Social Services for regional budget projection attempts and to develop a management information system on cost of social services under Title XX, by Community Service Area, and to the Adoption Placement Unit in the construction of a file of adoptive child cases.

Following is a list of federal reports submitted, in addition to Quality Control and Title XX reporting.

#### FEDERAL REPORTS SUBMITTED AS AN ONGOING FUNCTION

##### SRS-NCSS-102.2

Quarterly Report on Child Care Arrangements  
Discontinued as of June 1976

##### SRS-NCSS-105

Semi-Annual Report on Fair Hearings

##### SRS-NCSS-108.2

Annual Report on Monthly Cost Standards

##### SRS-NCSS-110

Annual Report on Questions of Recipient Fraud

##### SRS-NCSS-114

Annual Report of Staff Development

##### SRS-NCSS-117

WIN Monthly Reports

SRS-NCSS-119, 1 + 2

Quarterly Report on Allegations and Investigations of  
Suspected Fraud

SRS-NCSS-120

Monthly Report on Medical Care

SRS-NCSS-123

Semi-Annual Family Planning Report

SRS-NCSS-2078.1

Monthly Report on Recipients and Amounts of Money

SRS-NCSS-2078.2

Monthly Report on Recipients and Amounts for Emergency  
Assistance

SRS-NCSS-2078.3

Annual Number of Recipients and Amounts of Payments  
by County

SRS-NCSS-2079

Quarterly Report on Applications and Closings

SRS-NCSS-280

Annual Adoption Report

SRS-NCSS-2082

Annual Report on Medical Expenditures



## CHAPTER SEVEN

### OFFICE OF ADMINISTRATION

#### 1. OVERVIEW

The Office of Administration consists of four units: Labor Relations, Personnel and Payroll, Policies and Procedures and Child Support Enforcement.

Severe Budgetary cutbacks imposed by the FY'76 budget focused the energies of the Office on devising and implementing departmental staffing control procedures in conjunction with the Office of Finance. To this end, a Vacancy Review Committee was established early in fiscal 1976. The purpose of the committee was to review field and central office staffing requests in relation to budgetary allowances and departmental goals and objectives. A standardized format was developed to aid in the submission of requests to the committee which was later used by the State's Division of Personnel Administration as a model for other agencies to follow. The review process also prompted efforts to develop regional spending targets which provided a method for keeping field staffing expenditures within the overall appropriations available to the Department.

Continuing emphasis was also directed towards the full development and implementation of the Department's Affirmative Action Plan. Special projects and training programs pertinent to equal employment opportunities were actively initiated during the year.

#### II. LABOR RELATIONS

Agreement was reached between the Department, the Office of Employee Relations and the employee union representatives in early fiscal 1976 governing the specific job classifications to be placed within each of the eleven collective bargaining units. Later, in January 1976, the Labor Relations Commission granted final approval for the assignment of titles to each of the units. With completion of this action the Commonwealth, for the first time in its history, was prepared to initiate a statewide collective bargaining process with its employees.

In March 1976, the Office of Employee Relations and the Alliance began negotiations for seven of the bargaining units, including the three units which most affect the Department of Public Welfare (clerical, administrative, and social and rehabilitative services).

Despite several weeks of intensive negotiations, several key issues remained unresolved by mid-June. On June 21, 1976 a major work stoppage began with authorization from the Alliance and its members. A large number of Departmental employees did not report to work during the three-day actions. During that time Departmental contingency plans were implemented to redeploy management staff from the Central Office to various local Welfare Service Office sites. This procedure proved highly successful. The Department was able to keep all but seven of its 107 field locations open and operating on an emergency basis throughout the strike.

As the fiscal year came to an end a mediator was brought into the negotiations to try to resolve the issues where agreement had not yet been reached between the parties.

Fiscal 1976 also saw the resolution of two major questions which had been sent to arbitration under the Department's existing contract with the Social Worker's Guild. In July, 1975 an arbitration decision reaffirmed management's right to require advance work schedules from caseworkers. In April, 1976 an arbitrator ruled that the installation of a new reporting requirement for direct service workers was not a "mass action" as described in the contract and did not therefore mandate a reduction in other worker activities. The arbitrator's opinion provided a much needed clarification of the term "mass action" and its intended impact on contract administration.

Another critical area of analysis was initiated on April 1, 1976 when the Office of Administration contracted with the consulting firm of Coopers and Lybrand to develop productivity standards for caseworkers. The empirical data resulting from this study is expected to provide greater accuracy in determining equitable work assignments for caseworkers than is available through the caseload provisions of the current bargaining agreement.

### III. PERSONNEL

Very significant staffing reductions occurred in the Department as a result of budgetary cutbacks imposed in FY'76. At the beginning of the fiscal year the Department's staffing level stood at 5,897 employees. On June 30, 1976 the total employee count was 5,344, a net reduction of 553 workers. These state-funded positions were supplemented by approximately 400 federally subsidized CETA positions during the year.

The staff reductions resulted from the passage of two interim budgets (Chapter 404/75 and Chapter 530/75) which mandated



that state agencies decrease their spending levels to 90% of FY'75. Both acts restricted hiring after June 30, 1976 to positions for which a "critical need" existed.

The effects of the critical need requirement and the 10% spending cutback committed the Department's Vacancy Review Committee to a thorough assessment of methods to reduce staffing levels early in FY'76. A combination of selective attrition, layoffs and redeployment of personnel was used to bring spending down to the allocated level.

By January 1976, specific budgetary allowances had been established for all six regions and each unit within Central Office. The amounts of the spending allowances varied according to staffing reductions made prior to that date. By the end of fiscal 1976 the Department had succeeded in keeping its personnel expenditures within the amount appropriated for the year. The only significant staff expansion for the year came about with the filling of 43 excess quota positions that were tied to specific projects to improve cost savings and overall management efficiency.

The Department's Personnel and Payroll Unit reduced its staff by over 15% but continued to review and process extensive personnel actions. Over 500 Civil Service certifications and 14,728 requisitions and related actions were processed during the fiscal year.

A major goal for this Unit is the development and installation of a fully automated record-keeping system. A contract with Bradford Associates, Inc. provided specifications for the design and phased implementation of the system. The system will be built through the consolidation of independently designed modules which can be brought into operation one at a time. An RFP for the development of the first module for an automated Time and Attendance system was finalized in May, 1976. Bidding is expected to occur in early FY'77.

In June 1976, selected staff members within the Personnel Unit began training sessions in order to familiarize themselves with the data entry procedures used in the A&F computer system for personnel records. A computer terminal has been ordered to provide a direct link between the Personnel Unit and the A&F system so that the Unit will be able to input transactions directly into higher level computers. Consequently, significant reductions in paperwork processing time and routine errors are anticipated.

Another functional area which interfaces with personnel operations is the Equal Employment Office. Activities within this office during the year focused on a number of projects

ranging from the final updating of the Department's Affirmative Action plan to the implementation of three minority training programs. The latter programs allow for on-the-job training for minority persons as well as academic coursework for individuals interested in attaining an Associates Degree and subsequent employment as a paraprofessional.

The EEO Office was instrumental in having the Department designated as one of the test agencies for a pilot flexible hours work program. Successful results of this program may eventually lead to statewide implementation of a flexible workday for state employees.

Toward the end of fiscal 1976 the EEO Office was asked to evaluate and establish statewide hiring targets relating to part-time, minority and bilingual personnel for FY'77. At the same time discussions with the Division of Personnel Administration were initiated to assess minority hiring options from the impending Civil Service certification for Social Worker.

#### IV. POLICIES AND PROCEDURES

The Policies and Procedures Unit provides a final editorial review of Departmental policy documents before they are published. In October, 1975 the Unit initiated an expedited policy review system to accelerate the promulgation of a Departmental policy by reducing the number of days required to review and revise regulatory material. The original system required an average of 42 days for completion of the review process; the revised system requires an average of only 21 days.

Projects are also being planning to improve the quality of the policy material as it is drafted by the program offices. A series of "writers' workshop" training sessions has been scheduled during which emphasis will be placed on pre-writing planning, organizational skills and stylistic techniques. Specific requirements such as uniform policy language and structural format will be clarified in order to avoid ambiguity and improve the readability of future policy material.

#### V. CHILD SUPPORT ENFORCEMENT

The Massachusetts Child Support Enforcement Unit's principle role involves the establishment and collection of support payments from absent parents to offset benefits paid under the AFDC program. Total support receipts for fiscal 1976 totalled \$21.2 million.



Despite the Unit's excellent record as a revenue-producing operation, it too suffered from adverse budgetary actions in FY'76. About mid-way through the year a shortage of funds for staff precipitated the transfer of nine child support workers from the account to another more stabilized appropriation. A potential budget deficiency was avoided but the Unit was able to fill only 112 of its 130 authorized positions.

In August 1975, the support collection activities were automated. This led to substantial improvements in crediting and monitoring support payments. Under the new system the cash flow of receipts to the Commonwealth is completed within three days; the former manual collection system often required up to sixty days of processing time. The automated system is also programmed to provide data necessary to fulfill Federal reporting requirements and can be used to generate reports on overdue support obligations for use by the enforcement workers.

Another major development in this area took place during the second half of FY'76. At that time the Department established a pilot cooperative agreement program with four probate and two district courts as authorized through Public Law 93-647 (Part B). When fully operational this program will provide for:

- specific days and times in which AFDC support cases will be heard, thereby reducing the amount of time the Unit's employees will have to spend in court proceedings; and
- greater judicial participation through the courts' family service offices in monitoring the AFDC court orders and the serving process.

Seventy-five percent federal reimbursement of the salaries of court officers who work on child support cases will be realized under the cooperative agreement as an incentive for court participation.

The automated system and the court agreements are expected to permit CSEU workers to focus their activities on locating and contacting absent parents. In addition, incentive payments to AFDC recipients who help to locate an absent parent have been authorized by federal statute to stimulate client cooperation during the location process. Specifically, this device permits the payment of 40% of the first \$50 collected each month to the client as a supplement to the regular AFDC grant. By the end of the fiscal year the Legislature had not yet appropriated funds to cover these incentive payments, so the Department was working through the State Comptroller's office to establish an expendable trust from which the payments could be made.

## CHAPTER EIGHT

### OFFICE OF MANAGEMENT SERVICES

#### I. OVERVIEW

A carefully planned reorganization of the Project Management Office during fiscal year 1976 resulted in the creation of the Office of Management Services (OMS) on July 1, 1976. The change in name reflects the ever increasing scope of management services being provided to all programs and operations of the Department by the organization. Major types of services currently provided by OMS are:

- Planning, development, implementation and maintenance for all major department systems projects;
- Operation, control and technical support for all data processing functions;
- Processing all provider claims for services, both medical and social;
- Designing procedural changes as requested by the Commissioner;
- Coordinating all major department-wide programs and projects as requested by the Commissioner.

The new OMS is divided into two major branches corresponding to its two primary functions: Project Management and Information Systems and Services. Each branch is composed of two divisions: the Systems Development and Systems Maintenance Division carry out all phases of Project Management; the Technical Standards and Services Division and the Data Center are responsible for information, systems and services. The four divisions are supported by a planning/administrative staff which performs long-range planning, report generation, budget preparation/monitoring, personnel transactions and other administrative services.

#### II. SYSTEMS DEVELOPMENT AND MAINTENANCE

Significant changes were made during FY'75 in the management of projects and operation and maintenance of systems. These changes, reflected in OMS reorganization, are intended to maximize the benefits of OMS services to users and to improve the quality of automated systems developed and operated for the Department. In particular, the separation of system maintenance activities from the development of new systems and major improvements to



existing systems provides for better management control and technical direction of each area.

Another management improvement was the establishment of a priority assignment and review committee chaired by the Deputy Commissioner. OMS follows procedures established by this committee in assigning priorities to every project/major task requested of OMS by the user organizations in the Department. This process provides the cost versus benefits or other information needed by Executive Staff to decide which tasks/projects should be implemented. It has also improved the management of projects and systems maintenance through orderly work assignments and planning which maximizes OMS's utilization of resources. Top priority has been assigned to the maintenance of operational systems. Established priorities are reviewed by the committee and revisions are communicated to users in a quarterly report.

Another significant change was made in the management of projects and systems: OMS will acquire major new systems through development contracts rather than by internal development. This permits OMS to focus on the management of such procurements and the monitoring of systems development. This also overcomes certain skill and salary limitations encountered in major systems developments. Furthermore, internal development efforts can be focused upon making those limited improvements in operational systems which cannot be readily contracted. The first major system to be procured in this manner is the Medicaid Management Information System (MMIS).

### III. MAJOR SYSTEMS AND RELATED PROJECTS

#### Eligibility Systems

In the fall of 1975, a project work plan was issued for the initial phases of a major long-range project planned by the Department: The design, development and implementation of an Integrated Eligibility System (IES). The project was subsequently initiated, producing several interim improvements to existing systems; including the Case Management Project and the Case Closing/Appeals Project in early 1976.

During FY'76, extensive field and central office studies were conducted on application and eligibility determination processes, forms, policies and procedures. The analysis of this data led to the system concept recently proposed and published for IES. The fundamental premise in the design approach to IES is that common functions performed for several programs or services should be 'integrated' if they can be performed by the same set of computer programs.

In FY'77, an Advanced Planning Document (APD) will be de-

veloped and issued for internal Department, A & F and HEW review and approvals. Procurement of the IES development will commence thereafter.

As the consequence of investigative studies and analyses for IES and user requests, interim upgrading of the existing eligibility system and payment processes were initiated in FY'76 and will continue through FY'77. The immediate improvements include: The Case Management Control System with a turnaround SS9A Authorization to be filed during the summer of 1976; the Appeals Monitoring and Case Closing System to be implemented in December, 1976; and a pilot On-Line Inquiry System, scheduled for initial test in the first quarter of 1977. Another top priority improvement is the modifications to the existing eligibility system to meet MMIS interface requirements.

Two other projects which were not originally identified as IES related developments will provide significant contributions to its detailed design. These are: the File Match Project and the Decision Insertion Mailing System (DIMS). The File Match Project, performed under contract with Urban Data Processing, completed its first match in June and will undergo further refinement as operations proceed. This system matches recipient data with files from other agencies, e.g., unemployment compensation data. What is learned from such matches will directly influence the IES design of eligibility screening and determination processes. The projected savings from file matching is several million dollars per year. The DIMS equipment has been ordered and systems development initiated. This tool will implement combined mailing of recipient checks, food stamp authorizations and medical cards to save the state considerable mailing costs.

#### Medicaid Management Information System

In July, 1975, the Department was paying most of its medical claims using a Vendor Payment System implemented in 1973 (VPS I). An improved system, VPS II, had been developed during early 1975 and was being used to pay physicians' claims only. By July, 1975, with total VPS II implementation more than 12 months behind schedule, then Commissioner Stevens decided to cease implementation efforts pending a careful examination of alternative methods for processing medical claims.

The alternative which appeared most attractive was a federally supported Medicaid Management Information System (MMIS). Under this system the state will contract with a private party for development and operation of a highly sophisticated



claims processing and information retrieval system based on a General Systems Design for MMIS set forth by the Department of Health, Education and Welfare. The federal government will reimburse the state for a MMIS which meets its requirements at a rate of 90% for development costs, 75% for operation costs and 50% for actual payments to vendors. Presently the state is reimbursed for all Medicaid costs at a flat rate of 50%.

An Advanced Planning Document (APD) for a Massachusetts MMIS has been approved by HEW, and a request for proposal has been completed and submitted to A&F and HEW for review and approval. OMS expects MMIS to be operational by early 1978.

In view of eventual MMIS implementation, OMS has begun a planned phase down of activities at the Medical Claims Control Center (MCCC) in Westboro. Two projects were initiated during FY'76 which are related to medical claims processing: the recovery on claims from Medicare and private insurance carriers for payments made under Medicaid which are the responsibility of the former. The other project is the proposed development during FY'77 of a nursing home tracking system which provides much more accurate information on the location and eligibility of recipients in such facilities paid under Medicaid. These projects are expected to save the Commonwealth substantial medical costs in the coming years.

### Social Service Systems

With the transfer of all Title XX planning and coordination responsibilities to the Department of Public Welfare early in 1976, a steering committee was established to coordinate the development of a comprehensive Social Services Management Information System (SSMIS). It was determined that a major effort should commence to define requirements and to design and develop a fully automated system to meet these requirements including Title XX and the new privacy/confidentiality laws and regulations. Proposals from prospective consultants were evaluated for the system concept definition and planning phase to commence in July.

The authorization and payment processes for non-contracted social services are currently automated in the Purchase of Service (POS) System. Improvements implemented in this system during FY'76 include:

- Processing of homemaker and chore service bills
- Conversion of existing authorizations to Title XX eligibility categories

- Installation of duplicate payment checking
- Automated calculation of authorized amounts
- Production of reports to meet initial Title XX requirements.

In FY'77, plans for simplification and improvements to the system focus upon turnaround documents, a report of amounts authorized and a vacancy report for foster and group homes.

#### IV. SUPPORT SYSTEMS AND PROJECTS

##### Child Support Collection System

During the past fiscal year, the development of a Child Support Collection and Reporting system was undertaken. The major task was the centralization of deposits, the reporting of these collections by absent parent, Welfare Service Office and Region as well as by Court. This system calculates the incentive payments due to the recipient and to the courts. The system will send out notices to absent parents who are behind in making payments as well as track such arrearages.

The major system development effort has been completed. During FY'77, the Child Support master file will be matched with the AFDC recipient file to identify additional (potential) child support cases. With the implementation of delinquency notices and the addition of more absent parent cases, an increase in collection from \$20 million to over \$30 million per annum is expected.

##### Personnel and Cost Allocation

The Department Personnel (PRIM) and Cost Allocation (COAL) systems have undergone major changes during the past fiscal year. The change of program, function and sub-function codes on the PRIM file has allowed for costs to be more accurately disbursed by program and function. Also, distribution by organizational unit has been improved for regionalized budgets.

At the start of FY'76, a contract was executed for the development, documentation and delivery of a Time and Attendance system. In November, the nature of the deliverables was modified to an Integrated Personnel/Cost Distribution functional systems design. The scope included a detailed design of the Time and Attendance module consistent with the overall functional systems design. In February 1976, this design data was delivered in Advanced Planning Document



Two shifts are currently performing the work formerly done by the Regional Offices as well as a significant portion of the workload of the Westboro facility. It is expected in the relatively near future that most of the processing now done at Westboro, other than medical bill processing, will be transferred to the consolidated data entry center.

#### Long Range Planning Document

In early Spring of 1976, the need for an organized approach in meeting the Department's goals during an austerity period was recognized. During the prioritizing of the projects for implementation, it became apparent that a Long Range Planning Document (LRPD) for computerized projects would be required in order to identify what resources would be needed and in what time-frame the resources would be needed and in what time-frame the resources would have to be acquired. It is with this concept in mind that the LRPD was prepared to:

- Identify the prioritized computer related projects to be implemented over the next three to five years.
- Identify the resources required for implementation of the projects and determine when resources would be required.
- Meet federal and state procurement regulations.
- Provide a base for evaluating the effect on the system being implemented by the new system being proposed.
- Provide a framework for analyzing alternatives methods of implementation in order to maximize resources.

A direct result of the Long Range Planning Document was the decision to enter into a 'State of Local Government Lease Plan' which the Department has recently signed with International Business Machines. As a result of signing this plan. The projected savings for the Department between August 1976 and July 1977 will amount to \$105,876.

## CHAPTER NINE

### GOALS AND OBJECTIVES - AN ADDITIONAL MANAGEMENT TOOL IN FY'76

In June 1975, for the first time, specific Departmental goals and objectives were developed for FY'76. Ten goals described broad priority areas, while sixty specific objectives listed concrete projects. They were issued to all staff December 8, 1975.

Commissioner Minter also told state-wide staff of three internal priorities - computerization, reduction of the AFDC error rate, and separation. These were useful as general guides until new projects, Supplemental Security Income and Food Stamp programs, caused a shift in priorities.

The Department's goals and objectives reflect the concerns of the Executive Staff and Regional Administrators, the Commonwealth's fiscal situation, and the concerns and needs of local office directors, as drawn from:

- (1) March 13, 1976 memorandum to Stevens, "Priority Issues in the Department". This document was prepared by the Executive Staff and Regional Administrators as a comprehensive briefing paper on 45 issues of immediate concern to the Department, including four "highest priority" issues (casework staffing, computerization, quality control, contract renegotiation).
- (2) The Department's April 14, 1975 "Task Force Report on FY'76 Savings Recommendations. It contained specific recommendations to the Governor for cost-saving or improved managerial control in assistance payments, medical, and social service programs.
- (3) The 23 Department-wide problems most frequently mentioned in the Regional and local offices in May and June, 1976.

The Department made substantial progress on its FY'76 goals and objectives. As of July 1, 1976, the Department had accomplished 25% of its FY'76 objectives, and failed to initiate work on only 16%.

Progress was limited on objectives in those areas where physical resources, staff and time were restricted. Progress on some objectives was less than expected because the Department did not have an effective system for monitoring internal projects for most of FY'76.



The Department is now developing its FY'77 goals and objectives, based on our experience. Objectives will be tested for consistency, with the resources available to accomplish them and with the time frames required for each. The objectives will be compared with the fiscal savings activities, Governor's Management Task Force recommendations accepted by the Department and projects in the Department's project monitoring system. All objectives will state how achievement of the objective can be measured, so the person assigned to manage the project can be held accountable.

Once the FY'77 statement is completed, each objective will be worked into the project monitoring system. Each objective will be assigned to an office and project manager who will be responsible for coordinating, scheduling, and reporting regularly on the progress of the project. This system should quickly reveal any departures from schedule, resource constraints, or other problems.

The goals and objectives statement operates on Department-wide basis, and cannot take into account the specific problems of individual units and employees. Nevertheless, it gives units and individual workers a framework of Department priorities within which they can structure their own activities. Once the FY'77 goals and objectives are developed, central office units, regional offices, CSA's and WSO's will develop unit office goals and objectives consistent with the Department's.











